Daily Report

Latin America

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Cuba

Government Notes Repeated Airspace Violations

FL0111202591 Havana Radio Rebelde Network in Spanish 1255 GMT 1 Nov 91

["Our Opinion" commentary by Orlando Contreras]

[Text] On its front page of today's issue, GRANMA carries the text of the note sent by the Cuban Foreign Ministry to the Swiss Embassy, U S. Interests Section, reporting on repeated violations of Cuban airspace by U.S. war planes and helicopters from Guantanamo Naval Base. You already heard on Haciendo Radio the text of the note in which the Cuban Foreign Ministry reiterates the dangers and the unacceptable nature of the violations to its national territory by, and I quote: U.S. combat planes from the occupied territory by the Guantanamo Naval Base. [no reference to closing of quotation as heard] The note stresses, in particular, the seriousness of the aforementioned actions that represent serious danger to Cuban forces.

The first violation occurred on 23 October, a little more than a week ago, and it was carried out by three U.S. TA-4J planes. On that same day, 23 October, the Cozumel summit of the Group of Three, comprised of Mexico, Venezuela, and Colombia, was being held. The Cuban president, our Commander in Chief Fidel Castro, was invited to attend this summit. That same afternoon during a news conference, a reporter asked Castro what he thought would be positive signals that the United States and Cuba could send to attain a certain detente in the relations between both countries? Fidel answered that one of the signals could be the withdrawal of the United States from the naval base in Guantanamo and the end to the blockade against Cuba.

The apparent signal given by the Bush administration, was, according to actual events, to violate on that same afternoon—between 1824 and 1852—Cuban airspace. Meanwhile, and as GRANMA has reported, a series of open provocations have been occurring from the naval base in Guantanamo.

Can anyone believe that these provocations contribute to the creation of a climate of peace and detente in the area? What are they seeking with such provocations? Most definitely, in the arena of psychological and verbal warfare, certain American media will say that none of this is true and that Cuba is trying to turn the national and international attention away from the serious problems that its economy faces. They may say it, distort it, and even spread it around the world and make it believable; however,the specific incidents, which can be proven with exact times and names of places, shows there have been a series of dangerous provocations, launched from the naval base in Guantanamo. Cuba has denounced these actions without losing an ounce of its calm, security, and assurance.

Foreign Ministry Protests

FL0111141691 Havana Tele Rebelde Network in Spanish 1312 GMT 1 Nov 91

[Foreign Ministry note to the Swiss Embassy, U.S. Interests Section, in Havana, dated 26 October]

[Text] The Cuban Foreign Ministry greets the Honorable Swiss Embassy, U.S. Interests Section, and advises it that:

Between 1824 and 1852 on 23 October 1991, three U.S. TA-4J planes from the naval base that the U.S. occupies in Guantanamo Bay, independently and consecutively, carried out three airspace violations over our national territory not occupied by the base. Two of these planes entered our territory not occupied by the base through the area of Puerto Escondido Bay, and the third plane entered our airspace 1,500 meters [words indistinct] of the aforementioned bay. All the planes flew out through an area located approximately 1,750 meters northwest of Loma Picote, flying over several Cuban troop positions.

At 0941 on 24 October 1991, a U.S. TA-4J plane, also from the aforementioned naval base, violated our air space, flying over territory not occupied by the base. This plane entered our territory through an area located approximately 2,000 meters southwest of the town of Boqueron, and left our territory through an area located 1,200 meters south of the same town. This plane flew over Cuban troop positions in the region.

In all of these cases, the planes were carrying out target practice at the naval base firing range. We can therefore assume they were heavily armed when they flew over our troop positions.

At 0844 on 25 October 1991, a U.S. TA-4J military plane from the naval base that the United States occupies in Guantanamo violated our air space, entering territory not occupied by the base, through an area located approximately 4,500 meters northwest of Punta San Nicolas, and flying back over the ocean through an area located approximately 5,000 [meters] southwest of Punta San Nicolas. Minutes earlier, that plane had flown over the base's firing range. We must therefore assume that the plane was armed. During the time the plane flew over territory not occupied by the base, it flew over Cuban troop positions in that region.

Between 2010 and 2012 on 25 October 1991, a U.S. CH-53E helicopter of those brought a few days ago to the naval base the United States occupies in Guantanamo Bay, violated our airspace, entering approximately 3,750 meters southwest of Boqueron and flying approximately 2,000 [meters] northwest of the aforementioned town. The helicopter returned to the territory occupied by the base along the same route. During that flight, the helicopter flew over several Cuban troop positions. At the same time that this was occurring, other CH-53E helicopters were carrying out landing exercises. We can therefore assume that the helicopter that violated our

airspace was carrying troops on board. This represents a serious danger for the Cuban troops.

The Cuban Foreign Ministry reiterates the danger and unacceptable nature of the violations of its national territory by U.S. combat aircraft from the territory occupied by the Guantanamo Naval Base, and emphasizes the serious nature of the aforementioned actions which represented serious risks for the Cuban troops. Prevention of similar incidents is the absolute responsibility of that naval base.

The Cuban Foreign Ministry takes this opportunity to reiterate to the Honorable Swiss Embassy, U.S. Interests Section, its best wishes.

[Dated] Havana, 26 October 1991.

Editorial Notes Increased Activity at Guantanamo

FL0111234291 Havana Tele Rebelde Network in Spanish 1800 GMT 1 Nov 91

[GRANMA editorial published in Havana on 1 November—read by announcer]

[Text] Since 1 October, using the situation that was created after the coup in Haiti and the hypothetical need to evacuate U.S. citizens from that country as a pretext, the U.S. Government has increased its combat troops, as well as the number of cargo airplanes and helicopters, at the naval base they maintain illegally in Guantanamo. Most of these reinforcements have remained at that military base. Since their arrival at the base, these troops have been practicing landings every day, using CH-53A helicopters and C-130 cargo airplanes, both at night and during the day.

At the same time and under the same pretext, the U.S. Navy deployed to areas north of Haiti, very near our territory, a group of six amphibious ships led by the LPH-12 helicopter carrier, which has the capacity to transport and disembark a reinforced Marine battalion. It is significant that simultaneously with the arrival of this U.S. Navy group in the region, warships of other NATO countries have appeared around Cuba, and some of them have entered the Guantanamo Naval Base and off-loaded some military equipment.

Starting on 21 October, the forces deployed at the base carried out a military exercise that lasted several days. On that occasion, they performed exercises that clearly show what the U.S. authorities' intentions are. In a very provocative way, they simulated the massive entry through different border points of Cuban civilians disenchanted with the revolution, and practiced the total evacuation of all the American and foreign civilians who reside on the base. The dynamics involved in the entry of supposed dissidents onto the Navy base were explained by the local base radio; this in fact consitituted inciting the Cuban populace in areas surrounding the base to leave this country illegally.

The inclusion of the hypothesis of the massive entry of Cuban citizens onto the base coincides with false press, radio, and television reports issued from Florida on supposed measures by the Cuban Government to withdraw the minefields and the fences on the border perimeter and thus make possible a massive exodus of Cubans who have not received visas to travel to the United States. These grotesque lies included the supposed attack on a U.S. fishing boat by a Cuban Navy ship and echoed the colossal fallacy of Cuban Air Force contingency plans for attacking a nuclear plant in Florida.

Not only the permanent forces at the Guantanamo Naval Base have participated in all the exercises and maneuvers during these days on the Yankee base, but also the forces and assets that arrived as reinforcements starting 1 October. These provocative actions have a place in the context of the intensification of the campaigns against Cuba by the United States, mainly by radio, in which they openly call for civil disobedience and the physical elimination of our commander in chief. As will be understood very well, all of this is part of a single plan to destabilize Cuba and attempt to create a climate of great tension to pressure and intimidate our country.

The provocations at the Yankee naval base are nothing new. Since the triumph of the revolution, truly bloody incidents have occurred, such as the torturing and interrogation for 24 hours of Manuel Prieto Gonzalez, a Cuban employee at the base, on 21 January 1961; the murder of Ruben Lopez Avariego, also a Cuban worker at the base, on 30 September 1961; and the torturing and murder of a fisherman, Rodolfo Rosell Salas, by soldiers from the base in May 1962. On 9 July 1964, Private Jose Ramirez Vallez was seriously wounded. A few days later, on 19 July, Pvt. Ramon Lopez Pena was vilely murdered. On 24 July, they again fired on our troops, wounding Pvt. Andres Noel Larduet. Two years later, on 21 May 1966, Pvt. Luis Ramirez Lopez was murdered in the same felonious manner.

After 30 years, the revolutionary government must continue to denounce the violations and provocations at the Guantanamo Naval Base. On 10 August, the Cuban Foreign Ministry sent an official note to the U.S. Government which listed a number of violations and provocations carried out by U.S. soldiers starting on 14 May. These included violations of our airspace, beaming light on our combatants on many occasions, aiming guns at our territory, mooning, making obscene gestures, and yelling obscene words at our sentinels.

The Cuban Government note to the U.S. Government repeats the grave danger these gross violations and provocations represent, and urge the U.S. Government to take the necessary measures to prevent these actions from leading to unfortunate incidents. The U.S. Government limited itself to justifying the violations of our airspace and stated that the rest of the provocations pointed out in the Cuban note lacked evidence. We must

say that the Revolutionary Armed Forces Command has irrefutable proof of many of these provocations.

More recently, during the exercises we described above, the TA-4J airplanes permanently based at the Guantanamo Naval Base violated our airspace on five occasions, and a CH-53E helicopter, which arrived as part of the reinforcement, on one occasion. The official note presented by the Cuban Foreign Ministry to the U.S. Government on 28 October, in addition to describing the nature of each of these violations, which occurred between 23 and 25 October, pointed out that the airplanes that committed these violations were armed at the time they overflew the Cuban troop positions, and the CH-53E helicopter which violated our airspace was part of a group that during that same period was carrying out troop-landing exercises on the base. Thus, we must assume that the helicopter that committed the violation was also carrying troops on board, which constituted a grave danger for the Cuban troops it overflew, just as did the violations by the TA-4J airplanes.

The Cuban Foreign Ministry note repeated the danger and unacceptable nature of the violations of its national territory by U.S. combat aircraft from the territory occupied by the Guantanamo Naval Base, and emphasized in this particular case the serious nature of the aforementioned actions, which represented serious risks for the Cuban troops. It also pointed out that preventing similar incidents is the absolute responsibility of the authorities of that base.

It is necessary to add to this entire situation that the U.S. Armed Forces have increased their air reconnaissance operations and provocative maneuvers in areas near Cuba. From 10 July 1991 to date, more than 45 air reconnaissance flights with different types of airplanes have been carried out north of our provinces, and on some occasions they have covered our entire territory. Of these 45 reconnaissance flights, 30 have taken place since 3 October 1991.

It is also very significant that on several occasions during the days when our Fourth Communist Party of Cuba Congress was being held, groups of cargo airplanes and helicopters with Marine paratroopers on board took off from the naval base and carried out maneuvers south of that facility, which created a situation of heightened military tension in the region and in fact constituted an open provocation, in addition to showing extreme irresponsibility. U.S. ships and planes of various kinds travel by day and night around our territory, some formed into aircraft carrier battle groups, amphibious groups, or surface ship groups. All maintain a strict monitoring of the air and maritime communications routes giving access to our country. At the same time, they maintain an increased military presence in the region as a prior step for possible aggressive operations against our country.

Likewise, on the continental territory of the United States and some territories that are under its domination, like Puerto Rico, as Cuba denounced recently at the UN General Assembly, large-scale exercises and maneuvers are taking place in which they rehearse an invasion of Cuba. The culmination of an exercise which began on 16 September was planned for 19 October. It involved a large-scale deployment of about 40 units of the 101st Airborne Attack Division from Fort Chaffee, Arkansas. The purpose of this exercise by one of the elite units that participated in Operation Desert Storm in the Persian Gulf was to train its forces to fight in an environment similar to conditions in Cuba against an army that was using Soviet-style equipment and tactics at the Joint Combat Readiness Training Center of the U.S. Armed Forces.

With their proverbial arrogance, the Pentagon strategists conceived of the actions within the exercise as a conflict that would gradually escalate from low to medium intensity. The Yankee naval base in Guantanamo is the spearhead of this strategy, and above all it fulfills the mission of maintaining and even increasing tensions through all kinds of provocations, which are cynically calculated and meticulously carried out. At the same time, it is part of the system to systematically monitor our country's defense training.

Under current circumstances, as can be seen with the escalation of provocative and intimidatory actions that have been occurring since May, the Yankee enclave in Guantanamo represents one of the instruments of pressure and threat that the U.S. Government is using against the Cuban people and their unshakeable determination to save the nation, the revolution, and socialism. We are aware of the danger to our country's defense and security represented by this source of tension, provocative actions, and aggressive maneuvers. We are also aware of the potential value of this enclave for large-scale operations by the U.S. Armed Forces against our country, since it is virtually a parade ground for the Yankee invaders on our territory.

It is probable that in this world, which is more and more uinpolar, it is difficult for the Yankee soldiers in Guantanamo to understand the highly professional unity and dedication of our gallant combatants of the Border Guard troops, faithful exponents of the courage, talent and awareness of the men and women of our people. The real danger entailed in the irresponsible actions and intimidatory military activities by the Yankee occupants of Guantanamo is that they are the only ones running the risk of having their nerve fail them one day.

Commentary Criticizes U.S. Economic Blockade

PA0111162791 Havana Radio Havana Cuba in Spanish 1400 GMT 31 Oct 91

[Commentary by Roberto Morejon]

[Text] The next discussion at the UN General Assembly, about the need to end the U.S. blockade against Cuba,

will demonstrate how this measure of force constitutes a serious violation of the charter of the most important international organization and of international law. The United States imposed the economic blockade against Cuba more than 30 years ago and intends to expand it. This can be deduced if we consider the initiatives of several congressmen, who are driven by the idea of the imminent collapse of the Cuban revolution.

The idea spread in certain sectors of the U.S. Congress and executive branch, led by President George Bush, with the crumbling of socialism in East Europe and the continuing instability in the USSR. According to this theory, Cuba will be forced to copy the capitalist transformations that have taken place in the former socialist regions. If it does not, the Cuban people will not withstand the negative consequences of the suspension of trade with that part of the world, where it did the major part of its relations.

Of course, the Cuban people believe the complete opposite, and have confidence in their survival and even in their development. They have adopted the proper strategies and tactics, as was reaffirmed at the Fourth Congress of the Communist Party of Cuba.

In this arena of constant aggression by Washington, Cuba exercised its rights as a member of the United Nations and was able to include the issue of the U.S. blockade against the island on the agenda of the organization's 46th General Assembly. The White House is carrying out an intensive campaign to ease the impact of the Cuban denouncement and even to prevent any criticism against its sick offensive, which is directed at asphyxiating the largest island of the Antilles.

The United States, however, is facing a position that is shared by many countries, nongovernmental institutions, political parties, workers unions, student associations and other groups, and by world renowned leaders. That position states that it is time to analyze the scope of the U.S. blockade against Cuba. On 4 November, when the discussions begin on this issue, the U.S.delegates will keep in mind the support that Cuba received, which allowed this debate to take place.

Groups Profess Blockade Solidarity

FL0211143691 Havana Tele Rebelde Network in Spanish 1200 GMT 2 Nov 91

[Text] In a letter to UN Secretary General Javier Perez de Cuellar, approximately 40 Venezuelan legislators requested an end to the economic and trade blockade that the United States maintains against Cuba. Likewise, at the United Nations, other Latin American countries professed their commitment to maintain and strengthen their commercial ties with Cuba.

Mexico and the members of the Andean Pact, Colombia, Venezuela, Ecuador, and Bolivia, reiterated this decision despite the U.S. blockade against Cuba. Mexican Deputy Foreign Secretary Javier Barros, the Colombian minister for Economic Development, the ministers of Industry and Trade of Ecuador and Bolivia, and the president of the Venezuelan Foreign Trade Institute, expressed their support for Cuba.

In other news, Omar Morales, Cuban consul general to Colombia, presented his credentials to Colombian Deputy Foreign Minister Rodrigo Pardo during a ceremony in Bogota.

UN Blockade 'Pressure' Noted

PA0111171091 Havana Radio Havana Cuba in Spanish 1400 GMT 31 Oct 91

[Text] The United States is exerting pressure on the delegations to the UN General Assembly and their respective governments for them to oppose the Cuban draft resolution on the U.S. economic, commercial, and financial blockade against Cuba. The international organization will discuss the draft on 4 November.

According to diplomatic sources at the United Nations, Washington is threatening other countries that a vote in favor of the Cuban draft resolution would affect bilateral relations with the United States.

The sources added that the United States is trying to divide the Latin American and Caribbean countries to prevent a common regional position on the issue.

The Cuban document states that the U.S. blockade against the island violates the UN Charter and international law. The delegations to the UN General Assembly are currently discussing the document with their governments.

Transportation, Electricity Restrictions Noted

PA0211043191 Madrid EFE in Spanish 0347 GMT 2 Nov 91

[Text] Havana, 1 November (EFE)—Cuban President Fidel Castro asserted on 1 November that "we do not know how much oil we will have in January, February, and March." He announced a reduction of hundreds of tons of fuel during the fourth quarter of the year.

Castro said that the country must operate with less and less fuel every day. He also predicted further restrictions in transportation and in the electricity supply.

"We have exerted ourselves to prevent blackouts, but who can guarantee that we will be able to maintain electricity service 24 hours a day," he added.

The Cuban Government has reduced bus trips in Havana by one-third, from 38,000 to 18,000 a day, according to figures provided by Castro himself.

Given the increasing reduction in oil supplies, Castro said that a differentiation must be made between essential and nonessential things.

We cannot be irresponsible or dishonest with the people because this can lead to even worse problems, Castro stated during a meeting with the Pioneers.

Castro Presides Over Pioneers Congress Session

FL0111173491 Havana Radio Reloj Network in Spanish 1502 GMT 1 Nov 91

[Text] Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Councils of State and Ministers, is presiding over the plenum session of the last day of work of the First Pioneers' Congress being held at the Palace of Conventions in Havana. Today, the approximately 1,500 delegates and guests to the most important meeting of the younger generation will continue the debates regarding study and work, the Pioneers' slogan, the explorers movement, and defense of the fatherland. They will also discuss the organization of sports, culture, and recreation, as well as aspects of the life and works of Commander Ernesto Che Guevarra.

The Pabexpo Discotheque in this capital will host a recreational activity for the delegates of the First Pioneers' Congress tonight.

Pioneers Interview Castro

FL0111222191 Havana Tele Rebelde Network in Spanish 1800 GMT 1 Nov 91

[Excerpt] [passage omitted] [Begin recording] [Unidentified reporter] Friends, we are here at the Convention Center and the [Pioneers'] congress sessions are continuing. At my side today I have someone very special, our beloved Fidel. Welcome to our congress.

[Fidel Castro] Thank you.

[Reporter] First of all, I would like to ask you about something other than the congress.

[Castro] Why don't we walk over there, where it seems prettier, the opposite of what it may seem to some. I feel infected with your youth and enthusiasm.

[Reporter] What is your opinion of the congress up to now? What do you think of how the chair handles the presentations, the things that have been discussed?

[Castro] It seems very good. You can understand that to chair a session there is really a very difficult task, because every time one person speaks, 200 people raise their hands. The chair has the task of choosing among all those people. It is a miracle they have not started a great protest. But I can see that the boy is starting this very well, and ...

[Reporter, interrupting] So you think it has been very objective and [word indistinct]?

[Castro] And with a lot of precision, objectivity. The subjects are interesting, the arguments, and above all the feelings of the children are expressed, in many of the things they do and many of the things they say.

[Reporter] I understand you spoke very little during the session.

[Castro] I did not speak at all.

[Unidentified speaker] You did not speak at all.

[Castro] If I speak in addition to everyone who is speaking there, I think it would cut by half ...[rephrases] The problem would be even larger. What I have done is listen and note down some of the most interesting things I heard today. There has been a great variety of subjects. They go by province. Sometimes they repeat a subject. Sometimes they give different arguments about the slogan, different arguments about the kerchiefs, about school classes. They have talked about everything: the Scouts, culture, sports, parents, the need for parents to set an example. A lot has been said about that, that the parents must educate their children, that the parents must supplement their children's schoolwork. There has also been criticism, sometimes about the classes or the teachers. There has not been a lot of criticism, really. I imagine more criticism came up in the commissions, but 25 or 30 subjects have been discussed.

[Reporter] Commander, what do you think about the subjects and the chair?

[Castro] I cannot say anything about the chair, until I see how all this ends. I think he has a hard task, but I already said that his work is difficult. There are some people who, instead of helping much, criticize what the other person is doing.

[Speaker] The one from Ciego de Avila.

[Castro] The one from Ciego de Avila. They criticize him because someone asked for the floor and was not granted it, and instead of helping the other one starts to criticize. But he has a hard job. But it is going well. Really, this first session has gone very well.

[Reporter] Moving from here, the Convention Center, and going to Tarara, what do you think about the [Pioneers'] village?

[Castro] Well, I have not seen the village yet. I have seen it many other times, when it was dedicated, when it was expanded, when it was adapted for the Chernobyl children. I have been there many times. But now, on the occasion of this event, I have not seen the village.

[Reporter] I would like to make a comment. The Chernobyl children are very friendly, Commander.

[Castro] Yes. That is good. I am pleased. Are you happy?

[Reporter] Very happy.

[Castro] I imagine you feel happy to see them there, participating with you. How many days have you been at the village now?

[Reporter] Well, I was [words indistinct] I had to come here on Sunday for [words indistinct] and those things.

[Speaker] We have been here since Saturday.

[Castro] Since Saturday. You have been there for a week already?

[Speaker] Yes. Tomorrow is Saturday, right?

[Castro] What places did they adapt for you, houses or some buildings?

[Speaker] Houses. [words indistinct]

[Reporter] At first I was in a building with all the culture people, and now I am in a house with all the people who are working on this. But in both places, the service has been wonderful.

[Castro] How many delegates are there?

[Speaker] There are 1,573.

[Castro] Only the delegates and a few guides and that. There must be about 2,000 people staying there in all. But there is an enormous space.

[Speaker] There are three guides [words indistinct].

[Castro] There is an enormous capacity. The part we are using for the Chernobyl children is small, a small proportion. But the children like it, do they not?

[Reporter] Very much.

[Speaker] But a lot of them want to participate in this.

[Castro] I think a few have been invited.

[Speaker] Yes, there are some, but those who have not been invited have asked us why we have not taken them along, why we have not invited them. There was even one who participated in the preparatory meetings we held.

[Castro] Do they speak Spanish and all?

[Speaker] No, but [words indistinct] all those important things, we teach them to say. [passage indistinct]

[Castro] I say, as a little comrade said, that I do not have the words to express these things. I was there. I am very happy.

[Reporter] I was at the presentation. I think it feel short on television.

[Castro] There have been a lot of tears involved in this.

[Reporter] Yes. They have not gone yet. You can imagine how it will be when it is time to say goodbye.

[Castro] Yes, imagine. But some are left. How many are left?

[Speaker] Half. Tomorrow we are going.

[Second unidentified speaker] The very fact of being able to speak—as is not done in any country—of being able to speak with you as one comrade to another, as one communist to another, is something that is really very moving.

[Reporter] Really, this morning we were very excited.

[Castro] And tomorrow you have a ceremony, right?

[Speaker] Yes, tomorrow is the closing ceremony. Are you going to be at the square tomorrow?

[Castro] The square is very large, but we will not fit. It is all full of tables and things. Today was my day. Today was my day, more close-up, right? For the discussions. Because tomorrow is a day for parties. Today is for discussions.

[Reporter] In any case, we invite you to come.

[Castro] Alright, maybe at some point, but that is going to be immense tomorrow. [Words indistinct] Havana will not fit in there tomorrow.

[Reporter] Well, thank you very much, and friends, we continue with our congress. [end recording]

Delegations on Air Offenses, Drugs

FL0211001391 Havana Radio Reloj Network in Spanish 2032 GMT 1 Nov 91

[Text] The Cienfuegos delegation at the First Pioneers' Congress emphasized to Commander in Chief Fidel Castro that even though they are small they have great ideas, and they are ready to support the revolution in economic and social tasks.

Our supreme leader congratulated Pioneer William Estevez for his cooperation with the border patrol in apprehending a group of drug traffickers who were bringing a shipment of marijuana into Maisi Municipality, Guantanamo. The Guantanamo delegation has also condemned the recent violations of Cuban airspace by U.S. planes and helicopters.

The Havana delegation to the First Pioneers' Congress referred to the so-called Pioneers' commission [encargo pioneril], calling it obsolete and saying it needed to be abolished.

Expanded Mexican Trade Relations Advocated

PA0311143191 Mexico City NOTIMEX in Spanish 0930 GMT 2 Nov 91

[Text] Havana, 1 Nov (NOTIMEX)—Cuban and Mexican businessmen have agreed to eliminate all "the obstacles and barriers that preclude the increase" of trade relations and joint ventures through mixed enterprises.

Following two days of work, more than 70 businessmen from the two nations agreed here that "very favorable"

conditions prevail in Cuba for a dialogue between enterprises in the two countries, "aimed at consolidating" their trade and economic relations.

The conclusions reached during the ninth meeting of the Cuban-Mexican Business Committee reasserted the decision adopted by the participating enterprises to seek formulas that allow them to activate a commercial exchange and to complement the industries of the two countries.

The second and final part of the meeting between Cuban and Mexican businessmen ended this afternoon after analyzing the new Cuban laws on foreign investments.

The participants agreed to prevent the double imposition of fiscal obligations in our country for potential investors from the other countries.

The Mexican group stated its willingness to send experts to Cuba to discuss the elimination of fiscal tariffs for new investors from Mexico, with the intention of "eliminating any obstacle" to efforts to establish complementary, mutually advantageous economic relations.

Orlando Hernandez, director of the Latin American Department in the Cuban Foreign Trade Ministry, emphasized to the businessmen the need to increase Cuban exports and to broaden their businesses. He also urged the Mexican businessmen to participate even more in Cuban economic activities.

Moreover, Rene Ortiz, director of the National Chamber of Manufacturers (Canacintra), mentioned the ample possibilities that exist for the creation of economic associations between Cuban enterprises and small- or medium-sized Mexican industries.

Osvaldo Velas, chairman of Eron Laboratories, Inc., said there are multiple trade possibilities in the pharmaceutical sector that can be developed by enterprises in the two countries.

Jose Miro, representative of the island's Genetic Engineering and Biotechnology Center, explained the various marketing alternatives that permit the progress achieved in the production of more than 160 biotechnology products.

The new possibilities for Cuban enterprises to establish economic association with foreign capital was reviewed in the session by Oscar Alfonso, director of the Cuban State Committee for Economic Cooperation.

Gustavo Gutierrez, vice president of the National Tourism Institute, explained to the Mexican businessmen the opportunities for joint ventures that may be developed within the framework of programs in the Cuban tourism industry.

Most of the Mexican businessmen participating in the ninth session of the Cuban-Mexican Business Committee were interested in making investments in various areas of Cuban industry.

Envoy Denies $300 Million Loan

PA0111193091 Mexico City NOTIMEX in Spanish 1753 GMT 31 Oct 91

[Text] Havana, 31 Oct (NOTIMEX)—Mario Moya Palencia, Mexico's ambassador to Cuba, has denied that the Mexican Government will grant a $300 million loan to the Cuban Government. "Mexico will not grant the island a loan, and Cuba has not requested any loan whatsoever," the diplomat assured NOTIMEX, referring to reports that the Mexican Government may provide a line of credit to Cuba.

Moya Palencia added that the National Bank of Foreign Commerce and its Cuban counterpart signed an agreement months ago to promote commercial exchange and investments in both countries; this "was only an effort to facilitate trade between the two nations." Moya Palencia reaffirmed that to date Cuba has not received any financial aid. He denied that the Mexican diplomatic mission in Havana has provided any information to that effect. He said that in the coming months there will be a considerable flow of investments to Cuba, something he described as "important." "Of primary importance is the plea to invest in Cuba made by Presidents Carlos Salinas de Gortari of Mexico, Cesar Gaviria of Colombia, and Carlos Andres Perez of Venezuela to the businessmen of Mexico and Latin America," he added.

Roberto Sanchez de la Vara, president of the National Chamber of Manufacturers, announced that his institution is trying to procure credit for Cuba from Mexico's National Bank of Foreign Commerce to guarantee Mexican investments in the Caribbean country.

Mexicans Urge Solidarity, Integration

FL0111150891 Havana Tele Rebelde Network in Spanish 1100 GMT 1 Nov 91

[Text] In a letter to the Mexican Popular Socialist Party [PPS], Mexican Foreign Secretary Fernando Solana praised the party's invitation to Cuba to participate in economic exchanges with other countries of the continent. Solana's letter is in response to a visit by PPS members to discuss solidarity with Cuba. The letter also emphasizes the value of mutual respect for differences, as the best way to fulfill the wishes of the people regarding actions by their political leaders.

Meanwhile, the PPS has increased its efforts to send 200 million Mexican pesos to Cuba. The PPS has already collected 150 million pesos that could be sent to Cuba in the form of dollars, or as fuel and material goods.

Castro Opens International Fair in Havana

PA0411022891 Havana Radio Havana Cuba in Spanish 0000 GMT 4 Nov 91

[Text] Cuban President Fidel Castro has reiterated in Havana that the Cubans will always be the owners of

their country and that they will maintain their independence in their partnerships with foreign investors. Inaugurating the ninth international fair of Havana, Fidel Castro stressed that these unyielding principles do not stop Cubans from being the best allies in the search for the common interest with all those investors who want to work and who have confidence in Cuba.

The Cuban leader said that businessmen who invest in Cuba will expand their capital with more possibilities than anywhere else in the world. He pointed out how well the joint enteprises in tourism are operating. The Cuban president said the country is working in conditions of great austerity because of the current difficult circumstances. He added, however, that the country has not sacrificed its social programs, thrown anyone into the street, or left anyone unprotected. Even in the most difficult times, he said, the Cubans do not lose their optimism or confidence that all obstacles will be overcome.

Approximately 700 firms from 24 countries, 11 of them Latin American, are represented in the international fair, which will continue until 10 November.

Dominica

Preparations Made for Aristide, Perez Visit

FL0111144991 Bridgetown CANA in English 1228 GMT 1 Nov 91

[Text] Roseau, Dominica, Nov 1, CANA—Dominica was preparing to welcome deposed Haitian leader Jean-Bertrand Aristide and Venezuelan President Carlos Andres Perez. The two are due here this afternoon for a brief visit. They leave on Saturday.

Some Windward Islands leaders are expected to hold talks with President Perez, on development aid. Officials here said the leaders were also seeking to meet with Aristide Saturday morning to discuss the situation in Haiti.

Caribbean Rights representative Jean-Claude Bajeaux, who is also president of the Haitian Ecumenical Centre for Human Rights, is expected to travel to Dominica for talks with Fr. Aristide. General secretary of the Caribbean Conference of Churches, Reverend Alan Kirton, will also attend the talks, officials here said. The Venezuelan Embassy here is coordinatng the Perez/Aristide courtesy visit to the island. Aristide and Perez will meet the press Saturday morning at the Fort Young Hotel.

The Haitian leader's Catholic roots are not being forgotten here, with the Dominica/Haiti Friendship Association holding an hour-long prayer service Friday evening to focus on Haiti and its problems. Organisers say they hope Aristide will attend.

Aristide and his host Perez will arrive on a Venezuelan Air Force jet. From the Melville Hall Airport, a Venezuelan Navy helicopter will take them to the State House grounds in Roseau, for an official welcome by Dominica's President Sir Clarence Seignoret. The inspection of a guard of honour will follow, after which the visiting heads will meet Prime Minister Eugenia Charles and other government ministers. Perez and Aristide are scheduled to lay wreaths at the Simon Bolivar Plaza on the outskirts of the capital. A Friday night reception at the Venezuelan ambassador's residence and a Saturday luncheon hosted by Sir Clarence are other highlights of the visit.

President Perez is due to hold bilateral talks with Prime Minister Charles, as well as meet with opposition MP's here.

Arrival Noted

FL0111215191 Bridgetown CANA in English 2030 GMT 1 Nov 91

[Text] Roseau, Dominica, Nov 1, CANA—Deposed Haitian President Jean-Bertrand Aristide arrived in Dominica Friday afternoon, accompanying Venezuelan President Carlos Andres Perez on an official visit here. Light showers greeted the two leaders and and their entourage as they landed on the grounds of State House in a Venezuelan Navy helicopter. They inspected a guard of honour before meeting officials headed by Prime Minister Dame Eugenia Charles and her cabinet.

A reserved looking Aristide waved to a group of 19 Haitians and Guadeloupeans who witnessed his arrival. Perez waved to the watching crowd and shouted a greeting in Spanish. Dame Eugenia said her message to Aristide, who has taken refuge in Venezuela since he was ousted by the Haitian military September 30, would be to take courage, because others have been in the same difficulty and have succeeded in the end.

She said talks with Perez would centre on the proposed political unification of the Organisation of Eastern Caribbean States (OECS). "He's very interested in our unification (OECS) for instance, we'll talk about that. We'll talk about Haiti and what future steps and what more we can do to encourage this matter to be settled and to see Aristide back in his position," Dame Eugenia said.

She indicated that trade talks especially in terms of liberalisation policies would feature as well during discussions with the Venezuelan leader. The visiting heads are now engaged in a range of official activities around the capital, Roseau.

One Haitian resident in Guadeloupe who turned up here to greet President Aristide, said that he was happy to see Aristide and was hopeful that God would put a hand to help the Haitian leader regain his authority. Visiting Haitians who stood outside Dominica's State House during the arrival, flew the Haitian flag as a symbol of solidarity.

Aristide Welcome Conveys Message

FL0111223691 Bridgetown CANA in English 2159 GMT 1 Nov 91

[Text] Roseau, Dominica, Nov 1, CANA—Dominica's External Affairs Minister Brian Alleyne said affording deposed Haitian leader Jean-Bertrand Aristide a presidential welcome here Friday is to send a message to Haitians that Aristide is still recognised as their legally elected leader. Father Aristide arrived here Friday afternoon with Venezuelan President Carlos Andres Perez, for an official courtesy visit to mark Dominica's 13th anniversary of politicial independence from Britain.

"The fact that we are receiving him (Aristide) as a head of state right here in the Caribbean, I think will convey a message to the people now in control in Haiti, and to the people of Haiti, that he is still recognised outside of Haiti as the legitimate head of state of that country," Alleyne told CANA.

"I think that will help him in his efforts to re-estabish himself in Haiti," he added.

Alleyne said the Aristide visit also affords Dominica another opportunity to denounce the recent military takeover in Haiti.

"It's an opportunity for us to express in real terms what we've said orally and through our implementation of the boycott against Haiti. That is, that we reaffirm very clearly our support for President Aristide as the duly elected president of Haiti in keeping with our commitment to the democratic process through which President Aristide was duly elected," Alleyne said.

Haiti

OAS Team 'Set' To Arrive for Talks on 4 Nov

FL0411120891 Bonaire Trans World Radio in English 1130 GMT 4 Nov 91

[Text] An advanced team from the Organization of American States is set to arrive in Haiti today to help solve that country's political crisis. The team is expected to press for the return of ousted President Jean-Bertrand Aristide. As many as 500 representatives of the OAS may eventually participate in the talks.

Haiti's Legislative Assembly has said that Mr. Aristide should not be reinstated and has appointed a provisional president. But Interim Prime Minister Jean-Jacques Honarat says that he believes the OAS and the Assembly will be able to reach some kind of agreement.

Aristide Cabinet Reportedly in French Embassy

FL0111140491 Bonaire Trans World Radio in English 1130 GMT 1 Nov 91

[Text] The military installed government of Haiti says that members of ousted President Jean-Bertrand Aristide's government had sought asylum in the French Embassy. The ministry said at least 12 Haitians were believed to be in the embassy, including many of Mr. Aristide's cabinet members, who have apparently stayed in the embassy since the September 30 coup. Also believed to be in the embassy are Port-au-Prince Mayor Evans Paul, who was arrested and beaten by soldiers a week after the coup, as he tried to leave the country, and Prime Minister Rene Preval, who has been trying to lead a passive resistance movement from his hiding place.

Meanwhile, the president of the Haitian Chamber of Commerce and Industry Gerard Bailly says the economic sanctions against Haiti by the U.S., the Organization of American States, and other nations would be, in his words, disastrous. U.S. Ambassador Alvin Adams met with Haitian businessmen on Wednesday about the tightening of the embargo. Businessmen who attended the meeting said Mr. Adams told them the embargo would remain until Mr. Aristide was restored to the Presidency.

Report Issued on Aristide Human Rights Record

FL0211000991 Bridgetown CANA in English 2143 GMT 1 Nov 91

[Text] Bridgetown, Barbados, Nov 1, CANA—Haiti's ousted president, Jean-Bertrand Aristide, has won strong support from three well-known human rights organisations for his government's efforts in the field of human rights during his first seven months in ofice. He has, however, been criticised for his "ambivalent attitude" towards incidents of "mob violence" by his more enthusiastic supporters, and for failing to place his "tremendous personal prestige" at critical periods of civil unrest.

The report, "Haiti: The Aristide Government's Human Rights Record," released Friday simultaneously in New York and Bridgetown, coincides with a two-day official visit to Dominica by President Aristide which concludes Saturday. The 38-page assessment of human rights issues in Haiti was done by the New York-based National Coalition for Haitian Refugees and Americas Watch and the Barbados-based liaison office of the regional human rights network, Caribbean Rights.

Desposed in a bloody military coup on September 30, President Aristide has since been in temporary exile in Caracas as the special guest of the Venezuelan Government of President Carlos Andres Perez. Both President Perez and President Aristide are guests of Prime Minister Eugenia Charles for the eastern Caribbean island's 10th independene anniversary celebrations.

In presenting what they described as "a balanced and objective assessment" of human rights under the Aristide Administration from his inauguration in February to the month before the military coup, the three human rights organisations said:

"In our view, President Aristide is the sole legitimate Haitian head of state. His overwhelming popular mandate—over two-thirds of the vote in a free and fair

election which we monitored less than a year ago—can be matched by few, if any, leaders in our hemisphere..."

The report has resulted from the three organisation's long-standing monitoring of human rights in Haiti, and speficially on fact-finding missions between February and September this year, "as well as extensive telephone contacts with sources in Haiti before, during and since the coup."

In providing some examples of the "promising human rights record" of the Aristide government, Caribbean Rights, Americas Watch, and the Haitian Coalition explained:

"In the seven months before the coup, there was a dramatic decrease in violence by military and allied repressive forces" as part of initiatives to improve the justice administration system and institute "much-needed structural reforms in the Army and prison."

In response to popular demands, the government began the process of "dismantling the system of rural section chiefs" (once controlled by the notorious paramilitary Tonton Macoutes of the era of the Duvalier Dynasty). Generals, the report further states, who had controlled the Army under past military regimes were "pressured to retire and abusive commanders were either dismissed or transferred to obscure posts.

The human rights assessment report, shortly to be made available to regional and international governments and agencies, noted the changes in prison conditions. They commended the "unprecedented access" afforded journalists and international human rights delegations to learn at first-hand of "the inhumane prison conditions" in which prisoners existed.

The report said that there was, however, "little improvement in the sluggish pace of justice for either common criminals or those alleged to have plotted against the government." As under previous governments, the report points out, detainees continued to "spend many months in prison before being formally charged let alone brought to trial." It was the "abject failure of the justice system" that, according to the jointly released report, "inspired a frustration which led many Haitians to take the law into their own hands."

The human rights groups observed that while Aristide "often spoke eloquently of the need to respect the political pluralism embodied in the Constitution and of the importance of love, brotherhood, and non-violence," he also showed tolerance and even support for the practice by some supporters of lynching opponents through "pere lebrun"—the practice of ringing a victim's neck with a flaming tyre.

Human rights violations under his presidency could not, however, justify the military coup and the existence of the current illegitimate and unconstitutional regime in Port-au-Prince, according to the three human rights organisations. They said that they had seen "no evidence" to suggest that Aristide personally ordered any specific act of violence or had anything to do with the "spontaneous violent actions."

The report contrasts with some strident criticisms of Aristide's presidency by the Army-backed interim prime minister, Jean-Jacques Honorat. Director of the Haitian Centre for Human Rights (Chadel), Honorat has implicated Aristide in acts of violence against his opponents.

Aristide has challenged his critics to produce the specific evidence, including Honorat, whose brother was one of the unsuccessful presidential candidates at last December general elections won by the 35-year-old priest as Haiti's first freely elected head of state.

Americas Watch was established in 1981 to monitor and promote observance of human rights in Latin America and the Caribbean. The National Coalition for Haitian Refugees is composed of 47 legal, human rights, church, labour, and community organisations "working to seek justice for Haitian refugees in the USA and to monitor human rights in Haiti." Caribbean Rights is a coalition of eight human rights organisations, established in 1986 dedicated to the co- ordination of regional campaigns on human rights and in particular to achieve better observance of human rights standards in the Caribbean.

Belize

Price on 'Link' Between Caricom, Central America

FL0111173391 Bridgetown CANA in English 1241 GMT 1 Nov 91

[Text] Belize City, Belize, Nov 1, CANA—Belize wants to help Caribbean Community and Latin American states forge better relations, Prime Minister George Price of Belize has said. He made the comment after returning from his first official visit to neighbouring Guatemala this week. The visit reflected sharply improved relations with a neighbour that only recently recognised Belize as an independent nation.

Price told reporters: "As a member of the Caribbean Community, Belize ought to be the link between the Caricom and Central American communities in order to promote the economic development and welfare of the region. As an independent nation with sovereignty over all its territory, Belize can contribute to the process of development, and the creation of a new Central America." Belizean Foreign Minister Said Musa, who accompanied Price, said it was a happy moment to see the Belizean flag flying with those of the seven countries of the isthmus of Central America.

"We felt very proud to be Belizeans and we believe that Belize with its tradition of democracy has a role to play in forging this closer working relationship between the Caribbean and Central America," he said. Musa said they agreed with the Guatemalan Government that a series of joint commissions would be set up to take negotiations on the border dispute between the two states towards a final treaty. They would be in the fields of education, culture, tourism, and environment, and the anti-drug fight, he reported.

Referring to fears expressed at a series of public consultations in Belize, Musa said he had received reassurances from the Guatemalan president that fishermen in southern Belize will be able to continue fishing in traditional areas which lie outside a proposed three-mile territorial limit.

"I am very pleased to say that the president, without hesitation, agreed that Guatemala was quite prepared to allow the Belizean fishermen to continue fishing in those waters, that it was never their intention to interfere with that and that will continue, and he has made a declaration to that effect," said Musa.

The delegation also held meetings with Belizeans studying in Guatemala. Musa said one of the good things about them studying in the region, so close to home, is that history and experience had shown they all return to work in Belize.

El Salvador

Arena President: UN Observers 'Ineffective'

PA0311201391 San Salvador EL MUNDO in Spanish 1 Nov 91 p 2

[Text] Armando Calderon Sol, president of the Nationalist Republican Alliance [Arena] and mayor of San Salvador, said on 31 October that the work that the UN Observers for El Salvador [ONUSAL] have completed in the country to date has been ineffective. The political leader noted that this group was created to check on human rights violation in El Salvador, but in his opinion it has not fulfilled this task.

Calderon Sol believes that it is necessary for ONUSAL to work in favor of the Salvadoran people and to safeguard their human rights, something it has not done yet. He said: "The ONUSAL people were not sent to the country to enjoy our beaches or to intervene politically in the domestic life of the country."

He added that ONUSAL should report who is violating human rights, who is destroying the economy of the country, and who is keeping the people in a state of apprehension. "It is necessary that ONUSAL review its role so it can be more effective and can help the people." He said that ONUSAL has done nothing in favor of human rights.

Calderon Sol regretted the U.S. congressional decision to reduce its military aid to the country. He noted: "The U.S. politicians should think carefully about this situation."

The Arena leader said that the Armed Forces now need, more than ever, financial resources to defend the country from any large-scale aggression by illegal armed groups.

He also said that the Armed Forces must be the sole armed body in the country to conduct a pacification process that will end the war and halt any kind of violence.

FMLN Commander on Statements

PA0311231191 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 2 Nov 91

[Interview with Commander Raul Hercules, member of the joint staff of the northern sector of the Anastacio Aquino Paracentral Front in Cabanas department, by an unidentified reporter via two-way radio; place and date not given—recorded]

[Text] [Reporter] Commander, yesterday, we heard Armando Calderon Sol, Nationalist Republican Alliance [Arena] president, directly lash at ONUSAL [UN Observers for El Salvador]. What do you think of the Arena president's remarks?

[Hercules] It is regrettable that an Arena member made these unfortunate remarks. The United Nations and ONUSAL are very prestigious organizations throughout

the world. Such remarks indicate the narrow-mindedness and warmongering mentality of these types of leaders. Calderon said in his remarks that this type of organization is not for them but for our poor people, who have never had a private army as he does. This private army represents an advantage that our people have never had. Therefore, at he will not [words indistinct]. Our people are experiencing this peace process that was initiated through the negotiations and made operational through ONUSAL, which watches out for our people's human rights.

[Reporter] Commander Hercules, in the past few hours there have been a number of negative remarks by government officials and Armed Forces officers regarding the negotiating process. We may mention remarks by Colonel Vargas, who said the government was not prepared to sign a cease-fire. To this must be added Calderon's remarks against ONUSAL. All of this creates a dramatic picture of the negotiating process. Taking this into consideration, what would be the position of the FMLN [Farabundo Marti National Liberation Front] at the next meeting?

[Hercules] These sort of remarks indicate a certain degree of understandable desperation by the government and the Armed Forces. Such persons are, so to speak, standing on a very small brick; they have very little room to move because of their internal problems and the progress of the negotiations. This has led them to make desperate remarks. The FMLN understands the world in which they are moving. The FMLN has been willing to immerse itself in this negotiating process, which is for the people, not the government or the Armed Forces. This fact is troublesome for them. For this reason, they try to minimize and play it down. The truth is that the negotiating process is in its own final stage. Their desire to put the FMLN in a negative light does not stand much chance at this time. We must be realistic enough to admit that the people should not be sacrificed any longer. The time has come for a patriotic and responsible stance. We should contribute to this stance rather than play it down by defending personal interests because both the high command and the government have been exercising power, despite the struggle that our people have been waging with much sacrifice. The time has arrived for the power they have wielded to come to an end and for them to be realistic.

Commentary Views Copaz Meeting Achievements

PA0111221091 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 30 Oct 91

[Text] The second meeting of the National Commission for the Consolidation of Peace [Copaz] that concluded yesterday in Mexico demonstrates that the consensus among the political forces favoring a negotiated solution is growing day by day. Consequently, the warmongering and anti-historical positions that defend the military high command and some Arena [Nationalist Republican Alliance] sectors are being rejected even more. Copaz, created by the New York Agreements, is the most representative political institution that has ever existed in our nation's history. Its first meeting, which serves as a guideline, established Copaz as a pioneer of the new political pluralism that will have to be the fundamental base for a future national agreement.

During this second meeting among representatives of the Farabundo Marti National Liberation Front [FMLN], the government, the Armed Forces, and political parties, a consensus was reached to increase the reforms within the nation's major institutions and structures. By rejecting Arena's attempt to condition the ratification of constitutional reforms of the judicial system on the approval of the death sentence, Copaz demonstrated its force and credibility as a peace institution.

Moreover, by taking into account and discussing specific points [one-minute break in reception] FMLN. Copaz also expressed its ability and willingness to take up each issue—no matter how difficult—related to the armed conflict's just solution. The duties and decisions that correspond and will correspond to Copaz, as set forth in the New York Agreements, are broad and forceful. The initial implementation of those duties marks the way for the future even though the forces opposed to the negotiated solution attempt to regroup and plan new attacks against what has been accomplished at the negotiating table thus far.

Deputy Chief of Staff Discusses Peace Talks

PA0311153191 San Salvador LA PRENSA GRAFICA in Spanish 2 Nov 91 p 5

[Text] Colonel Mauricio Ernesto Vargas, deputy chief of staff of the Salvadoran Armed Forces, stated that an agreement has been reached on eight of the 14 points concerning the Armed Forces issue being discussed at the negotiating table. The parties are close to reaching an agreement on four other points, and there is total disagreement on the remaining two.

One of the points of disagreement results from the fact that the Farabundo Marti National Liberation Front [FMLN] has asked for a share of power in the new National Civil Police. This has created a Gordian knot that could prevent the signing of a cease-fire agreement, Vargas said.

During a speech at the Democratic Study Center Seminar, Vargas noted that power sharing is unacceptable, that the cease-fire negotiations should not have to be extended past November, and that if this happens it is because of the FMLN position.

On 3 November, a new round of uninterrupted talks begins during which the two sides will try to resolve the six points on which agreement is pending on reaching a definite cease-fire and securing peace, Vargas said. He noted that the next step would be to implement reforms that would permit a firmer peace to be established within the framework of development and economic progress.

He said: To reach definite agreements, it is necessary to have the political will to reach them. The FMLN must understand that in the New York Agreements "it renounced its claim to be the defender of democracy, and acknowledged that it is up to the government to make structural changes and up to the FMLN to join the social and civilian life of the country without illegal armed groups."

Guatemala

Minister Confirms Resignation of Police Chief

PA0111173191 Guatemala City Teleonce Television in Spanish 1800 GMT 31 Oct 91

[Text] Government Minister Fernando Hurtado Prem confirmed this morning that Colonel Mario Paiz Bolano voluntarily resigned from his post as police chief yesterday.

Hurtado was asked if a Human Rights Attorney's Office resolution charging that members of the Bicycle Band had been tortured by the police had somehow prompted the police chief to resign.

[Begin recording] [Hurtado Prem] We listened to the attorney. If there was some kind of measure taken against us, we would struggle against it. There has been no problem. This resignation is not a result of an order from the attorney.

[Reporter] Is the police director being investigated?

[Hurtado] No, the director is not being investigated. The resolution issued by the attorney compels me to carry out an investigation to establish the participation of people accused of perpetrating actions that the human rights attorney has characterized as torture. We are going to try to establish that and comply with the attorney's requests. Then we will let the courts handle the matter because from then on it is the courts who must continue the investigations as a case would be opened.

[Reporter] Who will be the new National Police director?

[Hurtado] Carlos Enrique Samayoa.

[Reporter] Why was it said that the police director would not be removed, but then he was?

[Hurtado] I have just explained that. I do not understand what some people said yesterday regarding this. My conversation with Colonel Paiz and the decision we made were clear. This has been confirmed: He had offered to resign today and he did so this morning.

[Reporter] When will the new director be sworn in?

[Hurtado] This afternoon.

[Reporter] Is this change because of his failure as director?

[Hurtado] I would not describe Colonel Paiz' work as a failure at all. What has happened is not the result of what Colonel Paiz has done or failed to do as police director. We are trying to stick to our plans and since Colonel Paiz has resigned, we have decided to give the responsibilities of the Police Department to an attorney who has the necessary abilities, who is aware of our plans, and who clearly knows what we want to achieve. This message must be known to all the members of the institution so they understand that this is just another phase of our plan and our decision to make the National Police more professsional.

[Reporter] What about the deputy director and [words indistinct]?

[Hurtado] We have appointed the new director, and this afternoon he may announce whether or not there will be other changes. [end recording]

* Four Weeks of Electricity Rationing Reviewed

92CA0016C Guatemala City SIGLO VEINTIUNO in Spanish 2 Oct 91 p 8

[Excerpt] With four weeks of the electricity rationing program behind it, the industrial sector has now accumulated losses of more than 200 million quetzales, business sources have announced.

Edgardo Ruiz, the administrative manager of the Guatemalan Chamber of Industry (CIG), said that parallel with the substantial economic losses, unemployment has begun to appear on the labor front.

The CIG executive analyzed the first month of the implementation of the planned policy of suspending this vital public service, and he emphasized the need for the implementation of emergency measures.

He explained that according to reports provided by member enterprises, the industrial sector is not producing goods and services worth 2 million quetzales every hour the "blackout" is in effect.

Ruiz added that while this is continuing, and despite a press conference held by the president of the INDE [National Institute of Electrification] and the EEGSA [Electrical Enterprise of Guatemala] day before yesterday, there has been absolutely no change in this inconvenient situation.

"They are giving us the 'advantage' of two continuous hours for productive work, as if this were a great deal, and for this reason we insist that this rationing should now end," he warned.

The priority need, this body maintains, is a farseeing look at the installed capacity deficit at Chixoy, in terms of its production level as related to the increase in demand.

He added that this hydroelectric plant, although it has had problems since the time it was built, has, because of

its generating capacity, become the plant on which the security of the national electrical system depends.

The "thermal-power park" is being neglected because it cannot be reliably put into operation, despite the fact that the international standard for generating capacity calls for a minimum of 20 percent above the level of demand.

"The current crisis proves that the system is not reliable in operational terms, so that this is a more profound problem reflecting the monopoly on and the poor administration of this sector," he emphasized.

The CIG insists on the necessity of eliminating the monopoly on the production of electricity so that the business sector will be able to generate its own flow of electricity.

Another additional step will be privatizing the INDE, or at least making it competitive, under equal conditions, with private business, Ruiz added.

This executive said that since 1 September, when rationing was implemented, various enterprises have imported electrical-generating plants with a total capacity of more than 30 megawatts.

This inevitably increases the cost of producing electricity, to which is added the investment in fuels—diesel oil, for example—and the impact on the prices of goods and service costs.

Apart from its effect on the foreign-exchange sector, because of the increase in demand, the labor field is also affected, because there are businessmen who have had to cut out one of their labor shifts, he added. [passage omitted]

* Power Shortage Hits Industry, Employment

92CA0016B Guatemala City PRENSA LIBRE in Spanish 28 Sep 91 p 3

[Excerpt] [passage omitted] "We disagree entirely with the new rationing schedule for the week of 30 September to 6 October, because industry only has electricity provided for two hours," Carlos Vielmann Montes, president of the Guatemalan Chamber of Industry, has said.

"It is no longer possible to work in Guatemala, because out of the 24 hours in a day, electrical energy is only supplied so that we can operate less than 50 percent of the time. During the rest of the time, there is no electricity, or it is available in periods of no more than two hours, which in industry would suffice, in practice, only for firing up and heating the furnaces and boilers," he said.

"This increase in the number of cuts for almost all the circuits will continue to cause losses for the economy of the country, and for the industrial sector, in particular. To this must be added the fact that unemployment and product shortages are increasing, because the Electrical Enterprise of Guatemala (EEGSA) and the INDE [National Institute of Electrification] have been unilaterally implementing the rationing programs," he emphasized.

The economic situation of the country will not allow such losses, for which reason he urged the executive and legislative branches to speed up the measures proposed by the private sector to minimize the energy crisis.

Sizable losses are being suffered by the battery industry as a result of the rationing of electricity, which is needed for the manufacture of this product. This statement was made by Jose Pena, general manager of Victor Batteries, according to a press release distributed to the media by the Business Sector Information Office (Ofisem).

The document adds that with the current rationing of electrical energy, the battery industry is losing seven hours of the 24 needed for production, apart from the serious damage being done to the motors, the transformers, and the equipment in general.

Nicaragua

Government Ministers, FSLN Directorate Meet

PA0311194991 Managua BARRICADA in Spanish 2 Nov 91 pp 1, 8

[Report by Maria Alicia Talavera]

[Text] In an unprecedented move, the government staff headed by Minister of the Presidency Antonio Lacayo met behind closed doors on 1 November with all of the Sandinist National Liberation Front's [FSLN] National Directorate members. The meeting lasted for more than seven hours. No one was willing to report on the nature of the subjects discussed. They announced, however, that they will meet again on 5 November.

While Lacayo and FSLN Secretary General Commander Daniel Ortega made very short remarks for the journalists, the remaining 18 delegates to the event left at about 1630 engaged in lively conversation. The spokesmen for the delegations looked cheerful, but talked little during the meeting. They had evidently already agreed on their stand.

Commander Ortega said the meeting was part of the "fluent communication" with the government. Lacayo said they had "talked on the country's situation," which the Sandinist leader had described as "serious."

This is what Ortega and Lacayo had to say about the agenda of the meeting. Ortega: "We debated the current problems in the country. There is willingness to find solutions for them. We know the situation is critical. We understand the demands of the worker. We agree on the need to give priority status to a negotiated solution to the conflicts, and we agree to denounce and reject the use of force."

Lacayo: "We discussed subjects of mutual and national interest such as security, rearmed groups, disarmament of civilians, and the development of the economic program and its outlook for the coming months."

Ortega pointed out that "this is the first time that the National Directorate plenum has met with Lacayo and the cabinet."

Sources at the Olof Palme Convention Center, where the meeting was held, confirmed the presence of the nine National Directorate members.

In addition to Lacayo, the government was represented by Finance Minister Emilio Pereira; Economy Minister Silvio de Franco; Dayton Caldera, president of the People's National Corporation; Labor Minister Francisco Rosales; Government Minister Carlos Hurtado; Deputy Government Minister Jose Pallais; Tomas Delaney, legal adviser to the presidency; and Ricardo Barrios, in charge of the privatization of the land. Humberto Ortega, general of the Army and chief of the Sandinist People's Army, and Rene Vivas, chief of police, also attended the meeting.

Workers at the Olof Palme Convention Center said the meeting was held in a "good climate" and without overexcitement. On the contrary, the delegates worked "without recess," the workers said.

BARRICADA confirmed that the attendants did not order lunch, only refreshments, sandwiches, coffee, and soft drinks.

Political sources commented that this special meeting indicates that the government and the Sandinists are aware of the extremely serious condition of the country.

The sources noted the fact that every National Directorate member was present, and that Lacayo was accompanied by the most prominent members of the cabinet.

In the past few weeks, the country has been shaken by a number of events which, according to the source, "have set the country on the verge of a very dangerous crisis." The source mentioned a "rightist offensive" that is demanding the removal of Commander Ortega, an announcement that a package of constitutional reforms would be proposed, a report that the CIA financed the political campaign of the National Opposition Unity party, labor conflicts, taking control of highway sections and working centers, and the open fighting between recontras and recompas. In addition, the source said, the property ownership issue is stagnated, several appeals of unconstitutionality have decisions pending, the unemployment rate reached 52 percent, and a decisive debate on the budget is scheduled to be held in the next few days.

A European diplomatic source told BARRICADA: "We are probably close to updating the transition agreements." The source based this assertion on the fact that many problems have arisen since the agreement was signed in April 1990 and "the country requires new agreements."

The agreements were focused at that time on obedience to the Constitution and on the future of the Armed Forces. This agreement was signed by Lacayo, Luis Sanchez, Alfredo Cesar (whose signature does not appear on the document, but who did ratify the agreement), and Hurtado. General Ortega and Commander Jaime Wheelock signed for the FSLN.

Lacayo said on 1 November that the agenda of the subjects discussed included the participation of workers both in the properties to be privatized and in the recent conflicts.

The source speculated that, according to remarks made by Lacayo and Ortega, the 5 November talks would center on the subjects of security problems, property, and the economy.

An FSLN source told BARRICADA last night that the National Directorate has declared itself in permanent session, and will be meeting throughout the weekend.

Special Commission To Investigate Funding

PA0311182591 Managua EL NUEVO DIARIO in Spanish 1 Nov 91 pp 1, 10

[Excerpts] The scandal created by a NEWSWEEK report on $600,000 that the CIA delivered to Nicaraguan exiles who are now deputy and government officials will be investigated in detail by a special commission of the Supreme Electoral Council [CSE] headed by CSE Vice President Dr. Rodolfo Sandino Arguello.

Sandino Arguello told this newspaper that the commission will operate on the basis of Article 124 of the Electoral Law. The other members of the commission are magistrates Guillermo Selva Arguello and Rosa Marina Zelaya Velasquez.

Sandino Arguello said that the request for the investigation made by Daniel Ortega, secretary general of the Sandinist National Liberation Front, was studied during a five-hour plenary meeting of CSE magistrates.

The CSE commission will investigate where NEWSWEEK obtained its information. This situation is similar to one involving officials from the U.S. Comptroller's Office, who issued a report in September 1990 revealing how National Opposition Union politicians received funds for their election campaigns.

Before appointing the commission, the CSE magistrates analyzed the 25 February elections process. They stated that those elections were clean and honest, and were held in an atmosphere of freedom.

Sandino Arguello said that this was verified by authorized international observers, other governments, and international organizations. [passage omitted]

The CSE magistrates resolved at their 29 October meeting to reiterate the validity, legality, and constitutionality of the 25 February 1990 elections, and to create a special commission to collect information on any violation of Article 124 of the Electoral Law, which regulates foreign donations. The CSE vice president said that this institution wants to investigate the charges "as soon as possible." He noted: "Perhaps we will have information in a couple of weeks, because we have our own records."

Sandino Arguello reported: "The requester (Daniel Ortega) gave us a translation of the NEWSWEEK article that reports on the U.S. funds, and we have a report from the U.S. Comptroller's Office. We also have our own records, with all the statements made by the political parties that received funds."

When asked about the creation of an investigations commission by the National Assembly, the CSE vice president said that the commission could have an interinstitutional composition, "but we want to point out that in line with Article 183 of the Constitution, no state branch, government organization, or official will have any authority other than that which the Constitution confers on that person."

He said: "We cannot interfere with the other branches of the state. We do have to provide interinstitutional cooperation to contribute to efficient government, but we cannot interfere." Sandino Arguello said that the National Assembly cannot interfere with the work of the CSE.

Recompas Present Political Demands to Government

PA0211162791 Managua Radio Sandino in Spanish 1200 GMT 1 Nov 91

[Text] Recompas [former Sandinist servicemen who have grouped together to face the contras] presented their first political demands on 31 October, through the Revolutionary Self-Defense Movement general staff. They are asking the government of Violeta Barrios de Chamorro to begin talks with them in Managua based on constitutional principles. Their statement mentioned the need for the government to contact the governments of Sweden, Norway, and Finland so an international organization can be established to ensure that they are protected and safe and to guarantee agreements that may emerge.

The demands of the recompas include the total disarmament of the demobilized Nicaraguan Resistance, trial and punishment for recontras who have murdered peasants and former servicemen, and respect for Article 95 of the constitution. They are demanding that former contras with a known criminal record in the past war not be allowed to join the National Police. They also want to receive assurances for the security of handicapped war veterans and for the mothers, widows, and orphaned children of those killed.

Peasants Report Clashes Between Rearmed Groups

PA0411000591 Managua Radio Sandino in Spanish 1234 GMT 2 Nov 91

[Report by Francisco de Jesus Rodriguez]

[Text] Peasants from Jinotega have reported heavy clashes between groups of recontras and recompas in an area known as Los Manchones, 110 kms north of Jinotega, in the past 48 hours.

The peasants, who refused to identify themselves for fear of reprisals from the rearmed groups, told this reporter that several persons were killed in the clashes.

Other sources reported that 14 of these rearmed men died in the clashes between the two groups. However, this report has not been confirmed.

The Jinotega government office, which is headed by Jose Augusto Lopez, did not offer any details about the fighting in Los Manchones, Wiwili.

A member of the former Nicaraguan Resistance group was killed in a clash between recontras and recompas in Los Tules.

Vice President Godoy Reports Attack on Residence

PA0311165891 Panama City ACAN in Spanish 1553 GMT 3 Nov 91

[Text] Managua, 3 Nov (ACAN-EFE)—Nicaraguan Vice President Virgilio Godoy reported on 3 November that an unidentified man early this morning fired seven times "with an automatic weapon" at his private residence in a southeast suburb of Managua.

Godoy told ACAN-EFE that the bullets hit two vehicles in the garage as well as walls inside his residence, but no one was injured.

The vice president accused the Sandinist National Liberation Front (FSLN) of being responsible for "this new attack" on his residence, which was occupied at the time by five persons, including his wife and his three children.

On 27 September Godoy reported a similar attack, but police officials subsequently denied that the attack had taken place.

Godoy said that Government Deputy Minister Jose Pallais has been personally informed of the incident, and he promised that a police investigation will be conducted. Godoy noted, however, that "it is already 0930 and no policeman has appeared at the site of the attack."

Godoy, who maintains a distant relationship with Nicaraguan President Violeta Chamorro, has criticized the meeting that government officials and the FSLN National Directorate held recently to search for a "negotiated way out" of the social and political conflict in the country.

Godoy, who is opposed to the Sandinist presence in the leadership of the country's Armed Forces and police department, wondered: "What solution to the violence in Nicaragua can be found when the masterminds of the attacks and the leaders of the governament go around hugging each other?"

Foreign Ministry Reorganization Plans Reported

PA0211160091 Managua BARRICADA in Spanish 31 Oct 91 pp 1, 10

[Report by Maria Alicia Talavera]

[Text] Foreign Minister Enrique Dreyfus has requested that all Nicaraguan ambassadors and consuls resign as of 31 December, to "organize the Foreign Ministry according to the needs of the country; to achieve a good administration; and to have a more realistic and dynamic foreign policy that adjusts to the changing world."

The foreign minister told BARRICADA that the decision is the result of a "reorganization" both inside and outside the Foreign Ministry. Although he did not specify the real reason for this, the foreign minister said: "Just like the presidency of the republic is given the opportunity to reorganize its cabinet, we have also decided to do this for the first time."

Regarding recent reports by labor leaders about juicy salaries paid in dollars to certain officials, the foreign minister said "there are no salaries in dollars for anyone. What happens is that some persons are not included in the payroll because they are advisers."

"The payroll is not a hidden issue. It is open to whoever wants to confirm it," Dreyfus said. Referring to the issue of the advisers, he said that there were 16 advisers during the previous administration. Asked how many there were in his administration, he answered: "I do not remember how many there are right now."

Dreyfus said that these advisory positions are part of the technical assistance received through AID donations, or the technical aid given by Venezuela, Colombia, France, Italy, and the UN Development Program (UNDP).

Nevertheless, the foreign minister recognized that "the salaries (of most of the Foreign Ministry employees) are very low." In his opinion, "the important thing is the actual purchasing power of the salaries. It has increased in recent months."

Asked about the creation of the Central American Parliament (Parlacen), he said that "it will be a consultive organization. Its importance is similar to the importance of the European Parliament to the European Community—above all, in a world where regionalization rather than economic integration is taking place."

Panama

New National Police Director General Interviewed

PA0211182491 Panama City Telemetro Television Network in Spanish 1730 GMT 1 Nov 91

[Interview with Oswaldo Fernandez, new director general of the National Police, by unidentified reporter; place and date not given—recorded]

[Text] [Reporter] In your opinion, what is the institution's biggest challenge?

[Fernandez] I believe the biggest challenge facing the National Police—this has also been the experience of the Technical Judicial Police—is to obtain the acceptance of the community. The community fears the police corps. Their fears are justified, because they are not based on stories. For obvious reasons, the community still does not trust policemen. However, it is not the community that has to learn to respect the policemen; it is the policemen who have to win the respect of the community. I believe this is the main challenge of the institution. We have to build an institution that is proud of itself and knows that it is better to be respected than to be feared. This is a very difficult task.

As we did in the previous organization we headed, we want to project ourselves to the community in community work, and thus place ourselves at the disposal of schools and colleges. In my opinion, the man who works in Jaque, Punta Alegre, Guavito, Puerto Armuelles [rural areas] is more important than the one who is beside me at an air-conditioned office. Why? Because he is in contact with the community and sells the image of the institution. We executives do not sell the image of the institution. It is sold by each individual policeman. I know the violent shock of the 20 December events is difficult to overcome, but this country has to learn to do so. This is going to be our endeavor, and it is the hardest part of our mission.

[Reporter] There is talk of a process of demilitarization. How do you plan to reach this objective?

[Fernandez] I believe the demilitarization process is attained at the academy. The National Police have an academy that was strongly advanced by Director General Menendez Franco. We will continue to boost it with the same enthusiasm he has shown. Journalists have recently asked me if it will be easy for a lawyer to be a police director. I told police officials and mayors that it is as difficult for a lawyer to be a policeman as it is for an military officer to be one. However, if we have diligence and willingness, trained military personnel as well as lawyers can prepare men to become trustworthy policemen. We can have a National Police that is a true police corps in the very near future.

Deputy Foreign Minister Comments on Parlacen

PA0111161491 Panama City LA PRENSA in Spanish 31 Oct 91 p 18a

[Report by Zoila Rodriguez Jovane]

[Text] Deputy Foreign Minister Jose Raul Mulino warned that Panama's joining the Central American Parliament (Parlacen) depends on whether Panama can overcome the worldwide "antipaliamentary current to which Panama is not immune," as well as on the approval of the constitutional and electoral code reforms.

"The opinion is that (legislators) do not work, they are expensive, and they are obviously not necessary. This is a sentiment that politicians will have to fight to be able to participate in international forums," Mulino stressed.

Upon his arrival at the Cabinet Council meeting, Mulino admitted that Panama "is a long way" from joining Parlacen, which was installed on 28 October in the Guatemalan city of Esquipulas. Thus far only El Salvador, Guatemala, and Honduras are members.

Mulino said that "the people's opposition sentiment," which is against the appointment of new parliamentarians due to their questionable productivity, was analyzed by the heads of the executive branch who attended this first meeting.

Mulino added that the electoral code would have to be reformed to allow the people to legally vote for about 20 legislative candidates.

He said that it will be a challenge for the political parties for these 20 new legislators to be added to the existing 67, due to the people's apathy and because the people believe they are a financial burden on the state.

Mulino said that additionally, in April 1992, constitutional reforms have to be approved and they have in their preamble "the possibility" of Panama's joining the Central American isthmus.

"Nothing is sure until then," Mulino clarified.

The deputy foreign minister, who accompanied the official delegation headed by President Guillermo Endara on the Parlacen's official installation, said that "the universal notion is that parliaments do not work."

Increased Surveillance Urged for Colombian Border

PA0111192791 Panama City LA PRENSA in Spanish 31 Oct 91 p 40A

[Report by Manuel Alvarez Cedeno]

[Text] On 30 October, Assistant District Attorney Carlos Herrera Moran stated that the border of Panama and Colombia has become a "virtual sanctuary for drug trafficking." Herrera emphasized that Panamanian authorities must confront this problem as soon as possible to prevent this situation from becoming a national security matter "sooner than we think."

Herrera said that if authorities ignore the situation and do not provide an adequate budget to help solve the problems on the border of Colombia and Panama, "this will become a national security problem sooner than we think."

Authorities from Panama and Colombia have expressed the need to establish greater police surveillance along the common border, where drug-related crimes and the presence of Colombian criminals trying to enter Panama without documents are constantly being reported.

Herrera said that a high percentage of the 271 murders committed in Panama in the past few months are related to drug trafficking. Herrera made the following statement: "We have information that the most recent murders, including the murder of the couple in Chepo three weeks ago, were related to drug use or drug trafficking." Herrera added that it is imperative for developed nations to implement urgent prevention and awareness programs in order to stop drug trafficking. He said this is necessary because as long as a market exists, there will always be someone willing to sell.

Herrera also said that between January and June, 414 Panamanians, 52 Colombians, six Americans, and several Salvadorans, Jamaicans, and Chileans have been arrested for drug related crimes.

The assistant district attorney said that due to the scant police presence at the border with Colombia, there is no effective control on the number of Colombians who enter national territory.

Herrera said he has received reports saying that Colombian drug traffickers smuggle drugs through Darien and then send them on to Veraguas. Later the drugs are sent to Central America and finally to the United States. However, some of the drugs remain in Panama to supply the local market, he said. Herrera explained that the drugs enter the country through Puerto Obaldia in San Blas and Jaque in Darien. Both places are located on the border with Colombia.

Four weeks ago, Panamanian authorities arrested a Colombian who was trying to hire townspeople in Boca De Cupe, Darien, to build a clandestine landing strip, presumably to be used for drug trafficking operations.

Opposition Publication Reports Opinion Poll

PA0211182691 Panama City LA CRONICA in Spanish 30 Oct - 6 Nov 91 p 11

[Text] LA CRONICA obtained the professional services of the Latin American Research Associates firm to undertake a public opinion poll on local politics. The results are surprising.

We will publish some of the results in this issue. In the future, we will publish the results regarding the opinions on government officials and state institutions, the work of the legislators, and possible candidates for the 1994 elections.

It was a nationwide poll. Public opinion will continue to be polled in the next three months.

Our first poll, which questioned 750 people in Panama City, San Miguelito District, and Chorrera, was conducted from 1 to 10 October. These are the results:

How do you grade the work of President Endara's administration?	
Excellent	2 percent
Good	4 percent
Regular	16 percent
Poor	43 percent
Very bad	35 percent

Who do you blame for the government's mistakes?	
Guillermo Endara	30 percent
Guillermo Ford	20 percent
Ruben D. Carles	15 percent
Ricardo Arias C.	12 percent
Political parties	12 percent
Cabinet	5 percent
Others	6 percent

Who has the greatest influence on President Endara?	
Ana Mae de Endara	21 percent
Deane Hinton	18 percent
Ruben D. Carles	16 percent
Juan Chevalier	12 percent
Joaquin F. Franco	12 percent
Antonio Dominguez	8 percent
Guillermo Ford	8 percent
Others	5 percent

Is there justice in Panama?	
Yes	34 percent
No	61 percent
Don't know	5 percent

Who is responsible for the lack of justice?	
Attorney General	36 percent
Judges	28 percent
Prosecutors	14 percent
Supreme Court	12 percent
President Endara	4 percent
Others	6 percent

What political movements do you recognize as active in Panama?	
Christian Democracy	78 percent
Torrijism	64 percent
Arnulfism	58 percent
Liberalism	54 percent
Communism	22 percent
Social Democracy	14 percent

Five presidential hopefuls from the main parties, in the order the names were given:
From Arnulfism: Mireya Gruber, Alfredo Arias, Francisco Artola, Juan Chevalier, Antonio Dominguez.
From the Christian Democratic Party: Ricardo Arias Calderon, Gloria Moreno de Lopez, Carlos Arellano Lennox, Guillermo Cochez, Raul Ossa.
From the Democratic Revolutionary Party, PRD: Carlos Duque, Ernesto Perez Balladares, Fernando Manfredo, Balbina Herrera, Tomas Altamirano Duque.
From the Nationalist Liberal Republican Movement, Molirena: Guillermo Ford, Guilermo Quijano, Mario Galindo, Luis Guillermo Casco Arias, Alfredo Ramirez.
Others: Ruben Blades, Alberto Conte, Mayin Correa, Samuel Lewis, J.J. Vallarino.

Doctors, Workers Protest Social Security Reforms

PA0411000491 Panama City EL PANAMA AMERICA in Spanish 1 Nov 91 p1A

[Report by Juan M. Diaz]

[Text] Approximately 2,000 doctors, teachers, and workers from various unions staged a march from El Carmen Church to the Legislative Assembly on 31 October to demand the withdrawal of a bill amending the basic law of the Social Security Fund. The bill is currently going through a second debate.

Miguel Calobrides, general secretary of the Association of Doctors, Dentists, and Related Professionals of the Social Security Fund [AMOACSS], stated that the participation of many associations and unions in the march

shows that most Panamanians reject the proposed reforms. AMOACSS is on a 72-hour strike to protest the bill. However, the strike could be extended.

Calobrides noted that the fact that different sectors have been gradually joining the fight started by AMOACCS shows that the bill, which is under discussion at the parliament, has not been sufficiently discussed and analyzed and cannot be approved instantly. He also said the bill contains measures that go against achievements of those who benefit from social security.

Referring to the doctors' protest, President Guillermo Endara Galimany stated that the current crisis of the Social Security Fund calls for urgent actions to avoid its total collapse. He added that his government would not "duck" this obligation.

Upon their arrival at the assembly, the strikers asked the plenum to allow them to speak to propose a series of economic alternatives to put an end to the Social Security Fund crisis without harming its contributors.

Argentina

President Menem Defends Deregulation Decree

PY0311205691 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 91 p 1

[Text] (DYN-NA)—President Carlos Menem asserted yesterday that if the deregulation decree had been a bill "it would have been in Congress between six and seven months and Argentina cannot wait that long.

"It was a question of life or death, nothing more and nothing less than Argentine lives," Menem said, explaining why he was "forced" to sanction economic deregulation by decree.

However, the President underlined that the Congress "is essential for democratic consolidation," in response to harsh criticisms—mostly from Radicals—over his decision to rule by decree.

"This is not an attack on the legislative branch of power," he assured, reminding that "there are things that simply cannot wait."

Suggesting that "our peoples' representatives do not have the interests of their constitutes at heart," Menem urged opponents "not to throw stones on the road to progress."

The President made these statements during a press conference offered at the Olivos residence yesterday morning after a ceremony for the privatization of the Rosario-Bahia Blanca railway line.

Visibly excited over the reform package, Menem forecast an imminent "production explosion" in the Argentine private sector.

"We will have a manual labour demand exceeding our resources before you can say Jack Flash.

"Argentina lacks nothing now," Menem boasted. "The only thing we were missing was this: An open market economy and deregulation."

Moreover, the economic package has the "unconditional backing of the labour sector," he claimed, but clarified that he was referring only to the CGT [General Confederation of Labor]-San Martin led by Raul Amin.

Addressing the Argentine people, he asserted that "you should all be happy" over the deregulation plan. Speaking to members of his administration, he laid the options on the table: "Either you like it, or you leave."

In other statements, the President said the salariazo (a massive wage hike)—one of his original campaign promise—"is already in progress."

In 1989 workers collected wage around 30 dollars, and currently they receive close to 300 dollars monthly, according to official figures Menem cited.

Speaking yesterday afternoon on Radio el Mundo and Radio America, the head of state said "between 85 and 90 percent of the people surveyed by TV and radio channels said they approved of the deregulation measure.

"This is the mother decree," he said, anticipating that other complementary decrees will follow. "Keep your eyes peeled, for all of these measures will be amplified, for the decree is not definite.

"All the world understands, applauds and supports our reforms," he concluded.

Opposition Criticizes Decree

PY0311202091 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 91 p 11

[Text] (DYN-NA)—The decision of President Carlos Menem to deregulate the Argentine economy by decree drew virulent reactions yesterday from opposition deputies and numerous political leaders.

Those opposed to the decree accused the Menem administration of resorting to "authoritarian" rule and demanded more congressional participation in the country's reform process.

"Argentina will never be considered either a modern or a reliable nation if its laws can be altered by executive branch whims," stated the Radical Party, led by former president Raul Alfonsin, in a defiant communique released yesterday.

"Without legislative security no one will attract foreign capital because the possibility will always exist that a new government will annul decisions made by the preceding administration," the opposition leadership contended.

"The right of society and Congress to debate and decide who will modernize, how and for what is a cornerstone of any democracy," they concluded.

Meanwhile, Alfonsin's party rival and Cordoba Governor Eduardo Angeloz expressed his support for the "global spirit" of the decree, but agreed with other Radicals that such measures should be passed by Congress.

"We share the conviction that such reforms are necessary, but we oppose the manner in which they determine the laws of the land," said Angeloz from Cordoba.

In a letter sent to San Isidro Mayor Melchor Posse (who leads the anti-Alfonsin party line in Buenos Aires province) on Thursday [31 October] and released yesterday, Angeloz criticized Menem's economic and social plan.

"The people must not be tricked into believing the only options are either chaos with hyperinflation or order with misery for the masses and improvement for the few," said Angeloz.

"This is not a reform, but a full dismantling of the State, lowering all forms of regulation and control, leaving us at

the mercy of monopolies and special interests—a situation that could lead to quasi-anarchy," the governor concluded.

For his part, Lower House Radical bloc leader Cesar Jaroslavsky considered that the deregulation decree "lets the fox loose among the chickens," and said the reforms will only serve to make "he who is rich, free."

Jaroslavsky blasted the Menem administration, saying "they insist on authoritarian rule and mock our concept of republican life."

Menem, in turn, downplayed Jaroslavsky's verbal blows yesterday.

Speaking during a news conference offered at the Olivos residence, the president said "I deeply regret his opposition to our decision, but I will not fight with chacho (Jaroslavsky), as his friends call him. I won't argue with anyone else over the issue for that matter. I am committed to continue governing, that's all."

Defending his decision to deregulate the economy by decree in the name of "freedom and the nation," Menem quipped: "He who doesn't know what to do with that liberty... tough luck."

Meanwhile, Buenos Aires provincial Radical Party leader Juan Manuel Casella predicted that the government decree "will run into serious legal problems," although he considered that "the global orientation" of the deregulation "is all right."

Likewise, Alvaro Alsogaray, founder of the Democratic Centre Union (UCeDe) and current national deputy, expressed his delight over the economic package announced on Thursday, describing it as "one of the three events that I never thought I would see happen while alive, along with the fall of the Berlin Wall and the downfall of communism in the Soviet Union and its satellite countries."

Decree Reaction Mixed

PY0111235691 Buenos Aires BUENOS AIRES HERALD in English 1 Nov 91 p 5

[Text] (DYN-NA)—Reactions to the package of deregulation measures were mixed yesterday. Buenos Aires Grain Exchange President Jose Ramos Saez Garcia said that the decision to deregulate the economy was the most important economic reform "since the convertibility programme and the state rationalization law."

Deregulation will improve the real value of the exchange rate by lowering overcosts, he said. Saez Garcia predicted the lifting of restrictions will increase export volumes and foresees "an excellent and positive incidence in grain markets."

UIA industrial association Secretary Manuel Herrera was also supportive of the measures. He emphasized that these will lower production costs. The policies "are very well oriented," he told journalists. Restrictive measures are incompatible with an open economy such as Argentina's, he pointed out.

Herrera added that the reduction of industrial overcosts is more important than the lowering of tariffs in a modern economy. The Argentine, Tucuman and Northern sugar producers associations expressed their "total support" of deregulatory measures. "Regulation of the sugar industry... is one of the principal causes of the sector's acute crisis," the associations said in a joint statement yesterday.

Institutional Affairs Undersecretary Adelina De Viola said that "winds of freedom are blowing in Argentina."

The deregulation package was also the target of criticism by representatives of Argentina's business and political sectors. The decree constitutes a "leap into the abyss," FAA [Argentine Agrarian Federation] farmer's association President Humberto Volando said.

Former Economy Minister Juan Alemann was supportive of the economic reforms, although he was critical of the decision to sanction these by decree. "A deregulatory package of measures is no novelty, because it is very complicated, and one cannot understand how things established by law can be changed by decree," he said.

The harshest criticism came from Radical Party spokesmen. Former Economy Minister Jesus Rodriguez threatened the opposition party will appeal before the Supreme Court the decision to deregulate by decree. "We shall denounce this situation at home and abroad," he said. Rodriguez was echoed by Lower House Radical Block Leader Cesar Jaroslavsky. "This forces us to suspend all political dialogue," he told journalists gathered in his office. "This degree turns us into Paraguay or Bolivia," he said.

Trade Union Divisions Cited

PY0311205091 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 91 p 11

[Excerpt] (NA-DYN)—The deregulation of the economy has underscored the prevailing divisions within the trade union movement, with the pro-government CGT [General Confederation of Labor]-San Martin coming out strongly in favour of the measure, the hard-line CGT-Azopardo announcing its total opposition and the independents, such as unions in the bank, electricity, shop, restaurant, oil and metal sectors, taking a neutral stand.

CGT-San Martin leader Raul Amin, commenting on the decree to liberalize the economy, said: "We're in favour and even back the mechanism (decree) chosen to implement deregulation, because it would not have been debated in Congress considering the way legislators are analyzing some laws."

"The decree affects the interests of the corporations, which are raising their voices and forming lobbies because they're used to privileges," he added.

For its part, the CGT-Azopardo said the government was "breaching the republican principle of division of power, confiscating the property of workers, hurting labour rights and jeopardizing the union movement's last remaining defence mechanisms, including the constitutional right to collective wage bargaining."

The dissident union faction also stressed its "deep concern over the mechanism chosen to repeal laws that are under the jurisdiction of Congress." [passage omitted]

Reduction of Armed Forces Officers Announced

PY0211194491 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1428 GMT 2 Nov 91

[Text] Buenos Aires, 2 Nov (NA)—Defense Minister Antonio Erman Gonzalez reported today that the reduction of high-ranking officers "will reach between 25 and 30 percent," and added that the Air Force list will be ready within the next 15 days. He said that Brigadier Jose Antonio Julia's luck "will depend on this decision."

Gonzalez said the reduction of generals, admirals, and brigadiers "will affect between 25 and 30 percent," and that the reorganization of the Army "will begin this year." Gonzalez said that this measure "is not well looked at by those who think that the government wants to destroy the Armed Forces," although he said that "the overwhelming majority are aware of the need to reorganize them now, to modernize them, and that for this reason they support the project."

In remarks to a local radio station, Gonzalez said the reorganization "will also reach other levels of officers and noncommissioned officers but, in this case, with a gradual plan to be carried out in a period of three to five years."

He added: "It is not true that there are too many soldiers in the Armed Forces." He said the federal police and the Buenos Aires provincial police put together "have more personnel" than the three Armed Forces branches.

He said: "The Air Force list of promotions will be ready in approximately 15 days." In answer to a question, he admitted that "Brigadier (Jose) Julia's luck will depend much on that decision."

Referring to General Martin Bonnet's retirement, he said the president "has complied with the law, because he decided that my ministry should handle the promotions issue." Referring to Bonnet, he said that he is "a very honorable person and that the Army should be proud of him."

Investment Increases During First Three Quarters

PY0111235491 Buenos Aires BUENOS AIRES HERALD in English 1 Nov 91 p 5

[Text] (DYN)—Gross fixed investment in Argentina rose by approximately 35 percent during the first three quarters of the year, an Economy Ministry communique pointed out yesterday. The government aims to "reinitiate a cycle of growing investment—basically brought about by the private sector—to revert the acute fall in investment levels registered during the last decade," the press handout added.

Investment in Argentina declined from between 21 and 22 percent of Gross Domestic Product (GDP) in the 1970s to 15 percent in 1982; 11 percent in 1988; nine percent in 1980 reaching a record low this century of 7.5 percent of GDP in 1990, the Economy Ministry said.

It added that the declining trend of investment resulted in a quantitative and qualitative deterioration of capital stocks. The rise in investment levels this year is evidenced by the sustained increase of capital goods imported into the country, and by rising sales in the domestic market of industrial machinery, automobiles, tractors and raw materials, the Economy Ministry pointed out.

The import of capital goods (particularly computers and machinery) rose by 93 percent in the first eight months of 1991.

IDB Loans $45 Million to Small Businesses

PY0111235091 Buenos Aires BUENOS AIRES HERALD in English 1 Nov 91 p 5

[From the "Business World" column]

[Text] The granting of two loans to Argentina totalling 45 million dollars was announced by the Inter-American Development Bank (IDB) yesterday. The loans, which will be destined to small enterprises in urban and rural areas, will be channelled through private banks and cooperatives. The loans will enable the recipient firms to purchase capital goods and contract the services of business consultants.

End of Limitations To Increase Chilean Ventures

PY0111235291 Buenos Aires BUENOS AIRES HERALD in English 1 Nov 91 p 5

[From the "Business World" column]

[Text] (DYN)—The lifting of restrictions in bilateral trade with Chile will result in a flow of Chilean investment into Argentina totalling 100 million dollars, International Economics Secretary Alieto Guadagni said in a radio interview yesterday. The recent lifting of restrictions will result in a strong rise in bilateral trade, he pointed out. The legal framework for the export of gas from Neuquen to Chile was consolidated during

Economy Minister Domingo Cavallo's recent visit to the Andean country, Guadagni said. The most immediate consequence of the bilateral negotiations will be the setting up of Argentine and Chilean mining joint-ventures in borderline areas, Guadagni said.

State Shipyards Go to Dutch, French Group

PY0111234891 Buenos Aires BUENOS AIRES HERALD in English 1 Nov 91 p 5

[From the "Business World" Column]

[Text] (DYN)—President Carlos Menem signed the decree awarding the state-owned Tandanor ship and repair yards to a Dutch and French consortium. The consortium will pay eight million dollars in cash and 55 million over the next six years, with a three-year grace period. Tandanor, with some 800 employees, will be taken over by the firms BHU [Bank Hollandsche-Unie], Submarine Interprice and the Ciamar shipping line.

Rosario-Bahia Blanca Railway Line Privatized

PY0311203691 Buenos Aires BUENOS AIRES HERALD in English 2 Nov 91 p 3

[Text] (NA)—The Rosario-Bahia Blanca railway line was handed over to its new private owners by President Carlos Menem at the Olivos presidential residence yesterday.

Ferroexpreso Pampeano has won a 30-year concession for the 5,200- kilometre track which carries grains and grain products from the heart of Argentina to the Bahia Blanca port for export.

Yesterday's handover is the first rail privatization since the nationalization of the railways in 1948.

The transfer covers "16 percent of the 37,000 kilometres of tracks that will be transferred in the coming months," Menem said.

Flanking Menem while he spoke were Ferroexpreso Pampeano President Marcos Millardi and Roberto Sanmartino.

Cavallo Denies Resignations of Team Members

PY0211005091 Buenos Aires TELAM in Spanish 2352 GMT 1 Nov 91

[Text] Buenos Aires, 1 Nov (TELAM)—Through his press office, Economy Minister Domingo Cavallo denied tonight from New York reports on resignations by members of his team.

In reply to questions by reporters on reports about the resignation of Luis Domeniconi, under secretary for technical and administrative coordination, Cavallo said: "No member of the economic team has tendered his resignation."

* Labor Groups' Dissatisfaction Reported

* Teachers' Strike

92SM0047A Buenos Aires LA PRENSA in Spanish 10 Oct 91 p 4

[Text] More than 100 municipal teachers formed a "human chain" around Congress yesterday to express to national legislators their repudiation of the transfer of schools and to make a variety of demands, among them wage demands. The demonstration took place in the context of a 24-hour strike called by the leaders of the six local trade unions.

Delia Bisutti, general secretary of the Union of Primary Teachers (UDAM), told LA PRENSA that between 90 and 95 percent of the teachers were honoring the strike. "Though a lot fewer of them came to the demonstration here, as was to be expected," explained the union official. "Anyway, we managed to form the chain," she emphasized.

On the other hand, Osvaldo Devries, secretary of education and culture of the metropolitan municipality, stated that the absentee rate at the schools under his jurisdiction was only 65 percent. At one point during the demonstration the union members met with Deputy Carlos "Chacho" Alvarez of the Education Committee, who is a member of the "Group of Eight." Alvarez expressed his concern about making the transfer without any additional funds, and noted that Congress is dealing with this issue now. Bisutti also explained that "if we do not receive a favorable response before the end of the month, we will carry out another forceful action." That possibility was presented to the leadership at the most recent congress of the municipal unions last Monday. The congress voted to take the action that was carried out yesterday.

The trade unionists explain[illegible] that as of next 1 January, the municipality will be in c[illegible]e of national and private schools (primary and second[illegible]), and it will have to run them with the same budget it has now.

"This will affect salaries in this sector, which are still at 1.3 million australes," stated Bisutti.

As everyone knows, the Economy Ministry informed education ministers throughout the country and the Secretariat of Education of the Municipality of Buenos Aires of the decision to transfer the schools without additional funds.

Economy Minister Domingo Cavallo stated publicly that these establishments will be maintained with federal revenue sharing funds, which were increased by $2 billion this year and will be raised by a similar amount in 1992.

* Bank Workers' Protest

92SM0047B Buenos Aires LA PRENSA in Spanish 10 Oct 91 p 3

[Text] Employees of the Central Bank, the Bank of the Nation, the National Development Bank, and the Bank of the Province of Buenos Aires held a surprise demonstration yesterday at the headquarters of Argentina's central credit institution to protest announced measures "that range from the voluntary retirement of 10,000 employees to the closing of branches" in those banks.

The demonstrators, led by members of the national secretariat and the Buenos Aires chapter of the Banking Association, also conducted a noisy march through the microcenter of this capital, causing numerous traffic snarls.

During the march, the demonstrators made noise with side drums, bass drums, whistles, rattles, and horns, while chanting slogans in opposition to the measures announced by the Finance Ministry.

The action led to an incident at the Central Bank branch located at 990 Teniente General Peron, when the assistant general manager of the institution's Office of the Superintendent of Financial Entities, Liliana Conti, decided to conduct a roll call to determine which employees were on the job.

As a result of her decision, the union representatives at the branch went to her office, but "she ignored their request." An argument ensued, culminating in the arrival of police officers, reported employees.

* '62 Organization'

92SM0047C Buenos Aires LA PRENSA in Spanish 10 Oct 91 p 3

[Text] The leadership of the 62 Organizations yesterday came out against the government's decision to amend the law on professional associations, and confirmed its rejection of Decree 1,334 on labor-management organizations. These positions were taken at the end of a meeting held at the headquarters of the Metalworkers Union (UOM).

The political arm of the Peronist union movement also approved the holding of the event at the Nueva Chicago sports facility, and designated union leaders Lorenzo Miguel, Juan Jose Zanola, and Lesio Romero as speakers.

The members of the national board of the 62 met yesterday at the headquarters of the metalworkers union; conspicuously absent were Lorenzo Miguel, the leader of that union, and Luis Barrionuevo, head of the restaurant workers' union.

Invitation to Menem

It was revealed that the union leaders also decided to invite President Carlos Menem to participate in the event.

The head of the Banking Association, Juan Jose Zanola, stated that the 62 Organizations "unanimously reject" Decree 1,334, which makes the discussion of pay raises contingent on the productivity of businesses.

He explained that the 62, "as the political arm, establish general guidelines, and afterwards each organization is responsible for carrying out salary negotiations as it sees fit."

Zanola added that this decree "is not valid at this time for the discussion of salaries, because there is no allowance for fact that the convertibility plan lags 18 percent behind inflation, not to mention previous lags."

With reference to current conflicts, Zanola said that "many are prefabricated and are propelling the workers toward high-voltage social problems that do not benefit anyone."

The head of the banking union expressed his opposition to the government's decision to amend the union law, and contended that "the labor movement must adapt and study the model, but we will not accept any substantial changes in the future backbone of the Argentine labor organization."

Goyeneche

The general secretary of the Association of Textile Workers, Pedro Goyeneche, pointed out that his union "wants to discuss wages in the framework of Law 14,250 on collective bargaining agreements," and stated that Decree 1,334 "is merely administrative," for the exclusive use of the Labor Ministry.

Goyeneche took a position contrary to that of the textile workers' leader, Manuel Pedreyra, who had indicated that his union accepts wage negotiations on the basis of productivity "because that is included in our collective bargaining agreement."

"Law 14,250 is in effect, and we want to discuss wages in that framework," emphasized Goyeneche, warning that if a solution is not found quickly, the union will take forceful action.

Bolivia

Full U.S. Military Aid Package Expected

PY0211132491 La Paz La Red Panamericana in Spanish 0000 GMT 2 Nov 91

[Text] The Armed Forces and the Defense Ministry expect that over the next few weeks, the U.S. Government will complete its military aid package to the Armed Forces for their broadened participation in the fight on drug trafficking.

Defense Minister Alberto Saenz Klinsky said that various pieces of equipment have arrived in the country over the past few days. This includes materiel, helicopters, and U.S. Piranha boats that will be assigned to the Navy and Air Force task forces. The equipment is part of the commitment mentioned in the drug agreement. We expect more equipment in coming weeks, the minister said.

COB Antiprivatization March Ruled 'Failure'

PY0111164091 La Paz Television Boliviana Network in Spanish 0200 GMT 1 Nov 91

[Text] The march organized by the Bolivian Labor Federation [COB] yesterday turned into one of its worst failures in recent times because it was supported by less than 1,000 people.

In lines of three, and sometimes single file, the COB column marched down the main streets of La Paz without interrupting traffic, much less paralyzing the city as they used to do in the past. The march was less than six blocks long and comprised 800 to 900 protesters who shouted slogans against the government and the participation of private capital in public companies.

Struggling against the international trend of changes, the COB sought to demonstrate its opposition to private participation in the bankrupt public mines, but the result was totally unfavorable. Information Minister Mario Rueda Pena later assessed the march:

[Begin recording] We have definitively seen another total failure. Imagine, an organization like the COB organizing a march attended only by 950 people. Not even a mediocre labor union would have such a weak summoning power. This demonstrates that the workers are one thing and a section of the COB leadership is something else. It demonstrates that the national working class is deeply integrated in our new national reality, preparing for the 21st century. The way of thinking of the working class is in keeping with the working movement of a new national reality. The working class has not taken to the streets with menacing fists in the air to protest against the government or its new social economic policy. [end recording]

The minister added that a section of the COB leadership is ideologically stranded in the 1960's and out of touch with current reality. Rueda Pena said that, from being in the vanguard in the past the COB leadership has now fallen to the rear. It is not only isolated but it is also estranged from its social bases which systematically ignore its summonses.

Cartographic Accord Signed With Chile

PY0111152991 La Paz EL DIARIO in Spanish 26 Oct 91 p 1

[Text] The Chilean and Bolivian Border Directorates yesterday signed an agreement for the purpose of drawing up a uniform map for both countries.

The main objective of the agreement is to initiate a study of the Bolivian-Chilean border.

The agreement was signed during a ceremony attended by Chilean General Consul Luis Maravit, Chilean Border Department Director Matias Saavedra, and Fernando Velasco, Bolivian Foreign Ministry director of borders.

During the ceremony, Saavedra said that the maps of both countries need several adjustments, verification, and accurate positioning of the ground reference points that make up a geodetic chain.

He said that this is what they have been doing and that they have jointly studied the cartographic and geodetic systems. He noted that both countries may agree on use of the geodetic system, so they can adopt a single cartographic system.

He said the committees in charge of calculations are doing this work, and they work exclusively on the ground, evaluating calculations and proposing uniform criteria.

Asked about the irregular positioning of border markers on the Bolivian-Chilean border, Saavedra replied that the binational committee's work is of an exclusively technical nature and any decision on whether border markers are accurately or inaccurately positioned should be made at a political level by high-ranking officials of both countries.

"We are not specifically dealing with border markers 48 and 49. Instead, our work is aimed at designing a highly technical cartographic system in order to avoid problems such as those that occurred with border markers 48 and 49," he said.

For his part, Bolivian Fernando Velasco said this meeting is preparatory to the 36th meeting of the Joint Chilean-Bolivian Border Demarcation Commission, which will be held in La Paz on 11 November.

The agenda for that meeting is being prepared at this preparatory meeting. "We will agree with the Chilean delegation on common criteria in order to make discussions easier," he added.

After the 36th commission meeting, the two countries expect to adopt a single reliable cartographic system that can be verified through strictly technical criteria, the Bolivian official said.

The preparatory meeting was also attended by Lieutenant Gilmer Romero, official delegate of the Geographic Military Institute, and military technicians from that institution.

Consensus Wanted on Constitutional Reform

PY0211143691 La Paz La Red Panamericana in Spanish 0000 GMT 2 Nov 91

[Text] According to Minister of the Presidency Gustavo Fernandez, the government believes that constitutional reform is necessary, but wants a national political consensus before a decision is made. Fernandez said the president thinks that we need to promote constitutional reform while avoiding past mistakes. The president was referring to previous constitutional reforms undertaken to favor the interests of a particular group.

The legislative branch is currently sponsoring a seminar to discuss the issue. It is thought that in coming months other meetings and forums will consider different constitutional reform proposals. The important thing is to seek a consensus based on dialogue among political parties, Minister Fernandez said.

[Begin Fernandez recording] [Words indistinct] modify respecting the Constitution. This is the principle. [Words indistinct] We may see various proposals, but they should all respect the current Constitution. We have to stress a fact that seems obvious, but which is necessary to emphasize: Congressional representatives, as the people's trustees in any democratic, representative system, are responsible for approving any constitutional reform. This is what the president thinks. It has been said several times: The issues must be debated publicly. [end recording]

The extent of any constitutional reform must be the result of a political consensus within the legislative branch. Congress is the appropriate organ to decide whether the reform will be partial or total; that is, whether the entire Constitution must be reformed. In any case, the government can only issue an opinion; the decision belongs to the legislative branch, Fernandez said.

Reform Discussed in Santa Cruz

PY0211150691 La Paz La Red Panamericana in Spanish 0000 GMT 2 Nov 91

[Excerpts] The first seminar on constitutional reform with the participation of leaders of the Bolivian political parties concluded in Santa Cruz today. This was reported by Vice President Luis Ossio Sanjines, who said that during the seminar it was decided to form a working commission made up of representatives from each political party to study amendments and the procedure that will be used to implement them. [passage omitted]

Oscar Eid Franco, leader of the Movement of the Revolutionary Left-New Majority, said that during the seminar the political parties promised to carry out the task of amending the Constitution during the current congressional term. Thus, we will avoid turning this subject into an election issue, and turn it into the result of an [word indistinct] agreement among the political parties and civilian society, he said. [passage omitted]

[Movement of the Revolutionary Left Deputy] Gaston Encinas said that an important step was taken at the seminar on constitutional reform in Santa Cruz. He praised the consensus reached by the political parties on forming a working commission comprising members of all parties to study the amendment proposals and the way they will be implemented. [passage omitted]

Minister Reports Positive Antidrug Efforts

PY0211145291 La Paz Television Boliviana Network in Spanish 0200 GMT 2 Nov 91

[Excerpts] [passage omitted] Minister of the Presidency Gustavo Fernandez has explained the government's official position on amendment of the Constitution. He said President Paz has already noted the need to introduce amendments to update the Constitution in keeping with modern times. These changes must be carried out amid a broad dialogue seeking a consensus. [passage omitted]

Minister Fernandez also discussed the results to date in the government's antinarcotics struggle.

[Begin recording] The overall balance of the Bolivian antinarcotics struggle is positive. In the two years of President Paz' administration, almost 14,000 hectares of coca plantations have been eradicated. This more or less equals a third of the area that we estimated was used for coca cultivation in 1989. There may be additional coca plantations that were not registered in 1989, but the eradication process over the two years is still very significant.

As the public knows, a great deal of progress has been made in dismantling drug trafficking networks in the country. The repentance decree has played an important role in this. It is not necessary to mention the names of any drug traffickers when adding up the ones who have surrendered here and the ones who have been arrested and sentenced in Argentina and in the United States. The overall balance is that the principal drug trafficking networks have been dismantled. This does not mean we can lower our guard because more drug trafficking networks are probably being organized. The results of our interdiction efforts show a positive result, however. [end recording]

Brazil

'No Crisis' Between Collor, Military

PY0211212491 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 1 Nov 91 p 4

[Text] Brasilia—After a two-and-a-half-hour meeting with President Fernando Collor in Government House, the military ministers were convinced that there is no crisis in the relations between the military and the government and that Army Minister General Carlos Tinoco will remain in his post. Collor, nonetheless, clearly stated that he does not agree with the military ministers' position that there is a campaign to discredit

the Armed Forces. Such was their position last week in the face of the news of an alleged irregular bid to buy Army materiel that could have prompted Tinoco's removal.

In the president's opinion, the episode should be considered a demonstration of the interest with which the media is seeking information on corruption cases in the public administration.

Collor explained to the military ministers that they were not invited to the luncheon at the residence of Presidential Secretary General Marcos Coimbra on 26 October because only special economic issues were discussed during the meeting. Therefore, according to the president, there was no need for a military presence there. The absence of the military ministers served to reinforce rumors about an estrangement between them and Collor.

The meeting, which was scheduled for 1000, was delayed until 1050. The delay was attributed to another meeting in which the tax reform was discussed. The agenda was long and it was not centered on the discussion of the alleged irregular Army bid. The ministers discussed the demarcation of the Ianomami Indian land, the need for equal salary treatment for civilian and military men, and even the strike by Armed Forces Hospital employees.

Besides the president and Gen. Tinoco, the meeting was attended by Aeronautics Minister Brigadier Socrates Monteiro, Navy Minister Admiral Mario Cesar Flores, Armed Forces Joint Chief of Staff General Antonio Luiz Rocha Veneu, and Military Household Chief General Agenor Homen de Carvalho.

Last 30 October, when the Army minister testified before the Chamber of Deputies Defense Committee, he referred to rumors about his dismissal. "Military ministers do not sit around accepting criticism until they are forced to resign," he said on that occasion, "they are either dismissed or they resign." According to presidential aides, Collor endorsed Tinoco's opinion.

Regarding the charges of irregular procedures in the Army bid, President Collor said he believed that the minister is acting correctly by investigating the facts. Although Collor considered Tinoco's testimony satisfactory, he demanded openness in the bid to clear all doubts before the public.

Regarding the demarcation of land for the Ianomami Indians, the president agreed with the military ministers, especially with the Army, on the fact that an 150-square-km area from the border [as published] must be preserved.

Minister Tinoco said that an Indian territory with its own rules cannot be created in a very rich area that cannot be controlled by the government. This means that the demarcation of the Ianomami Indian land will possibly be left until 1993, but it will be done without fail, the president said.

Presidential spokesman Claudio Humberto Rosa e Silva labeled the meeting as a meeting of a group, as frequently occurs in Planalto Palace with members of other groups, in which issues pertaining to the three Armed Forces branches were discussed. He said that no "scolding" was given to any of the ministers because it is not the president's style.

Rezek Departs for Iran; Notes Amazon Concern

PY0411014891 Rio de Janeiro O GLOBO in Portuguese 3 Nov 91 p 11

[Text] Canela, Rio Grande do Sul—Foreign Minister Francisco Rezek said on 2 November that concern about the Amazon region is reasonable, but he stressed his fear that, in response to internationalization, styles of territorial nationalism could be promoted that will not benefit Brazilian society.

Without citing military sources who attack the actions of international groups in the Amazon region, Rezek said it is up to the Brazilian Government to resolve the conflicts once the Indian communities and people who work in the jungle stop using force.

Rezek said that the banners of internationalization could cause serious harm to the Brazilian people if they are skillfully handled. He thinks the government should take measures in advance by developing areas, promoting industry, generating jobs, and supporting the Indian communities. Rezek hopes the truth about the Amazon issue will become clear in June 1992 when the Rio-92 [United Nations Conference on the Environment and Development] will be held in Rio de Janeiro.

On the night of 2 November, Rezek left for a three-day visit to Iran, in the Middle East, where he will act as a mediator in negotiations on Iran's five-year plan for the construction of an hydroelectric plant, a subway, and 12 cities for 5 million inhabitants. The entire project will cost $12 billion, of which 10 percent will go to Brazil. Rezek guaranteed that he will continue taking steps so that 9.340 million hectares will be granted to the Ianomami Indians in Roraima.

* Impact of Devaluation of Cruzeiro Assessed

92SM0053A Sao Paulo VEJA in Portuguese 9 Oct 91 pp 88-90

[Text] During the speech he recorded for broadcast on national television last Saturday, President Fernando Collor de Mello said something the country had long been hoping to hear: "There is no longer any place in Brazil for economic shock treatments." What there still is a place for in Brazil are economic scares. On Monday of last week, the administration ordered a 15 percent devaluation in the cruzeiro exchange rate that jolted everyone's nerves. The exchange rate midi-shock had two main effects. The first is that Economy Minister Marcilio Marques Moreira's team lost the only advantage it had seemed to have over former Minister Zelia

Cardoso de Mello's team—the reputation of not taking abrupt steps that startle people and trigger upward movements of the inflation rate. The second was on prices.

The devaluation of the cruzeiro was felt in the prices of imported goods such as raw materials, manufactured products, food, and petroleum. The price of each of these items pushes other articles upward, in that old familiar spiral. Petroleum bumps up against fertilizers and gasoline. Gasoline boosts shipping costs, which nudge the price of tomatoes in the outdoor markets, and so on. In the financial markets, banks started paying as much as 1,000 percent per annum on certificates of deposit and some of them were even charging 1,100 percent on loans—an astronomical rate that presages an increase in the number of petitions for Chapter 11 protection.

The uproar set off by Marques Moreira and his team was pretty big, there was a lot of noise, but the impact is likely to be much milder than one might infer from the turmoil that accompanied the midi-devaluation. In the opinion of its host, Marcilio Marques Moreira, the bill for the party is simple and will not be painful. "We import only 5 percent of our GDP. The most that a devaluation of 15 percent affecting 5 percent of the GDP can do is produce a direct inflationary pressure of 0.9 percent," he explained last week. If the minister's calculations are correct, October's inflation rate will not even reach 16 percent.

[Box p 88]

The Impact of The Devaluation

Inflation: Economists both within and outside the government estimate the move will add 1.5 to 2 percent to the inflation rate for this month.

Petroleum: It will have a cascade effect. It will immediately affect gasoline and fertilizers, for example, which use imported raw materials.

Foods: The prices of imported foods and domestic foods that are quoted in dollars on the foreign commodities markets, such as corn and soybeans, will go up.

Exports: The market is betting that sales could reach $3 billion a month, 15 percent above the average for recent months.

Imports: There could be a decline in the short run. Prices of imported products by amounts at least proportionate to the devaluation.

Exchange Reserves: These fell to $7 billion, barely enough to sustain imports. With the midi, they should rebound to $9 billion.

Interest Rates: Certificates of deposits were paying 1,000 percent a year following devaluation. The trend is toward higher interest rates, putting companies in a tight spot.

Greenbacks

If everything turns out that way, it would be wonderful. The problem is that in Brazil, all that is needed to make prices go up is for people to believe they will. "In a situation like this, the market tends to accelerate the implementation of price rises on its own, as a preventive measure against another devaluation of the cruzeiro," said economist Yoshiaki Nakano, of the Getulio Vargas Foundation in Sao Paulo. Economist Paulo Yokota, of former Minister Antonio Delfim Netto's firm, estimates October's inflation at 18 or 18.5 percent. In practice, the difference between Marques Moreira's 16 percent, Yokota's 18.5 percent, and the 21 percent rate that the terrorists in the market have been bandying about is not as great as one might think. Any one of those rates is high enough to bring an economy to the boiling point. Under such circumstances, it is impossible to create the proper atmosphere for the stabilization that people are trying to achieve.

It might seem strange that a government that in the name of the battle against inflation, froze food prices to such a point as to discourage planting of crops, would take a step such as the midi-devaluation that is capable of stimulating a rise in inflation. The truth is that Brazil had no alternative. The government had to devalue the cruzeiro because it was becoming too risky to hold the dollar down as it had been doing since the beginning of the year. In recent months the Central Bank had been trying by any means possible to keep the price of the American currency from going too high.

Whenever one of those economic phenomena occur that cause the market to avoid investments in cruzeiros and seek shelter in a stable currency like the dollar—like the announcement of Collor Plan II last February or the downfall of Minister of the Economy Zelia Cardoso de Mello in May—the Central Bank would sell off a large quantity of the greenbacks it has in its vaults. Brasilia hoped this would prevent a surge caused by excessive demand for dollars from pushing the inflation rate even higher. This method actually did work in the short run.

Exchange Reserves

Continued for a long time, that practice proved itself to be as about as successful as trying to escape from a swarm of wasps by diving into a river teeming with piranhas. With the dollar rate being tied down by the government, exporters were losing money on their overseas sales and the surplus in the trade balance was shrinking. In May, Brazil exported $1.3 billion more than it imported. In July, that surplus fell to $770 million, and it is expected that the August figures, not yet released, will be even worse.

Furthermore, the government started spending more dollars than before when it resumed payment on the overdue interest on the debt to foreign creditors, plus it needed to import grains to make up for last year's poor harvest. To make things worse, the flow of money that foreign investors were sending to Brazil to buy stock on

the stock exchange and bonds issued by state corporations on the overseas market began to diminish in the wake of the failure of the attempt to privatize Usiminas [Minas Gerais Iron and Steel Mills, Inc.]. All this led to a reduction in the country's exchange reserves.

The administration usually keeps quiet about the volume of foreign money it has on hand. It was being said in Brasilia that three weeks prior to the devaluation, the country had spent $2 billion more than it took in—and that exchange reserves had fallen to $7 billion. "To let the reserves keep dropping was dangerous. The government had to do something," said Arminio Fraga Neto, director of the foreign department of the Central Bank.

Bull Market

No one knows whether the recent devaluation was enough to solve the exchange problem. Last week, the Central Bank was still intervening, and heavily, to prevent the price of gold, which had climbed along with the dollar, from going higher. Last Thursday, the Central Bank sold formidable volumes of gold to prevent the price from soaring again. On the Commodities and Futures Market of Sao Paulo, 9.3 tons of the metal were sold, twice as much as on the previous day. That means that the market is bullish—and whenever that happens, it is because people expect the prices to go up even further. If things keep going this way, the Central Bank will have to squander big chunks of its reserves to calm the speculators—and who knows how long it would need to keep doing this. "The government must let the market regulate the price of the dollar all by itself, as it said it would when it created the floating exchange rate," said economist Mario Henrique Simonsen, a former finance minister.

Whether the Central Bank intervenes and uses up its reserves or whether it stays away, letting the market move freely until it wears itself out, a point of equilibrium is always reached eventually. The paths to that point are different and so are the sacrifices, but it will always be necessary—under either option—for Arminio Fraga Neto, the government official responsible for the exchange rate of the dollar, to have sufficient "machismo" to keep him from succumbing to an attack of nerves. The director of the Central Bank's foreign department is a young man with a brilliant career, but his technical efforts have not yet made any visible mark. At 33, Fraga is so young that bank personnel joke that says he still calls the secretaries at the Central Bank "aunties." No one has come out and suggested that the devaluation has benefitted third parties, but in these situations it is essential there be no room for suspicion. Decided on at week's end by Minister Marques Moreira and Central Bank President Francisco Gros, the move was authorized by President Collor. Fraga headed the Central Bank's operations desk.

Panic

When he authorized the devaluation, Marques Moreira may actually not have expected the confusion that would take hold in the economy, but he was certain he had to do something to prevent the exchange reserves well from running dry. The minister is famous for hesitating in the face of much easier decisions, but could not afford to lose himself in lengthy meditations this time. The resolution approved by the Senate last June to regulate talks with international creditors and payment of the external debt stipulates that the country must have sufficient cash on hand to sustain imports for at least four months—which works out to a little less than $6.5 billion. If reserves fall below that level, the country must automatically interrupt all payments to international creditors—and the suspension of those payments to the private banks would have disastrous consequences.

Brazil needs dollars, and one way to guarantee that they get here is to keep the exchange rate current. This guarantees that exporters can continue working in peace. According to the Central Foundation for Foreign Trade Studies (Funcex) in Rio de Janeiro, which monitors the relationship between the cruzeiro and foreign currencies on a daily basis, there has not been a single moment this year when the exchange rate was up to date (see graph). Seen from that standpoint, the government was absolutely correct in moving to force a rise in the dollar.

Discussions last week centered on whether the administration was right in doing this at one fell swoop, or whether it might have been better to keep adjusting the dollar rate little by little so as not to fan the fires of inflation. "Brasilia panicked when the trade balance dropped, and to our even greater surprise, made the adjustment all at once," said Sao Paulo businessman Laerte Setubal, of Duratex, a board member of Fiesp [Sao Paulo State Federation of Industries] with responsibilities in the field of foreign trade. As an exporter, Setubal believes the government must adjust the dollar rate, and in fact waited too long to do so. The problem is that, by trouncing the exchange rate as hard as it did, it created the kind of disturbance that can cause an artificial spurt in prices.

Dollarization

Whenever prices become restless, Brasilia gets ready to draw the weapon it keeps loaded and cocked for situations of this sort: the price freeze. This time, it actually took awhile before it occurred to anyone to mention the subject. Prices started bubbling up on Tuesday, but not until Friday did a government official, national Deputy Secretary of the Economy Antonio dos Santos Maciel Neto, threaten those who were out changing price tags with an explicit list of products for which prices will be controlled. It is likely that such price control will be about as successful as those attempted previously. Brasilia needs to conquer this mania. The only thing that can hold prices down is an economy that operates on well-defined rules and has no room for scares such as the one

last week. In an economy governed by clear rules, businessmen who take advantage of the confusion to earn money through dishonest price hikes would not be able to sell even a toothpick if they kept the practice up for very long.

Another mania that Brasilia needs to abandon is this business of insisting that businessmen assume an attitude that the government itself does not usually display. If the midi-devaluation is not going to have any impact, the government would not be thinking about adjusting government fees and rates—but it is going to do so in order to balance the accounts of the state enterprises. For starters, it is studying the possibility of raising electricity rates to bolster Eletrobras. In debt to overseas banks to the tune of $10 billion, it is one of the state enterprises hardest hit by the devaluation of the cruzeiro and could be in a tough spot if it does not receive extra money at the end of the month. Also under study is a rate hike for telecommunications, postage, and other government services. Although the administration may deny it, sooner or later there will be an increase in the gasoline prices—something Petrobras directors are already demanding.

Last week, while things were boiling on the financial market, there were some who suspected that the bureaucrats of Brasilia were plotting the dollarization of the economy, an action similar to what Argentina adopted some months ago with relative success. There is nothing to fear in that department. The situation in the two countries is quite different. The Argentine government simply made official a situation that already existed in practice. Prior to the Cavallo Plan, which tied the austral to the dollar, approximately $5 billion was circulating in Argentina in the form of dollar cash. Before dollarization, practically no business was being done in the local currency. Currency was freely exchangeable and it was common to see people going to Buenos Aires foreign exchange dealers on payday to change all their australs for dollars. In Brazil, the parallel market transacts about $5 million in dollars on a normal day. "For Brazil to consider dollarization, there would have to be at least $50 million in dollar cash in circulation, besides the Central Bank reserves," said economist Mario Henrique Simonsen.

Collor Announces Draft of Tax Reform

PY0211001291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 1 Nov 91

[Recorded portions in quotation marks]

[Text] President Fernando Collor announced the tax reform draft today at Planalto Palace.

In his speech, Collor said tax evasion is not a mere act of rebellion or civil disobedience but rather a crime against the citizenry and that tax evaders must be punished severely.

"Tax evasion is more than an act of rebellion or civil disobedience against the state, it is a crime against the citizenry and, as such, must be punished with the full enforcement of the law.

Therefore, the basic philosophy of a fair and balanced tax system is that when everybody pays, undoubtedly, everybody pays less."

President Collor also said the tax reform will reduce the costs of staples.

"These measures clearly reveal the government's willingness to reduce production costs. As a consequence, this tax reform will have an immediate social impact. The most needy sectors, who currently shoulder the burden of those taxes that have an impact on the family basket, will be the ones to benefit most with this reform."

President Collor once again dismissed the possibility of a new shock treatment to the economy. In his opinion, the only type of shock the Brazilian society needs is the shock of truth.

"The Brazilian Government and society are currently aware that there are no economic packages or any other magic economic formulas. Reasoning and good sense lead us to another path, that is, along the path of hard work, the path of an understanding, of the national project resulting from a broad consensus of society. The only sort of shock the Brazilian society will willingly accept today is the shock of truth."

President Collor also said that the crisis cannot be overcome with pessimism.

"We cannot overcome the crisis with pessimism, rumors, speculation, and defeatism. We must recover our confidence and, above all, strengthen the moral grounds for a cooperation that is necessary for the national reconstruction. Each and everyone of us who are involved with the modernization of our country, is the answer to this crisis."

Economy Minister Details Aims

PY0211175091 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 1 Nov 91

[Text] The government feels that the emergency tax reform measures will surely gain resources amounting to between 2 and 3 percent of the gross domestic product. According to Economy Minister Marcilio Marques Moreira, these measures have been adopted after an analysis of the constitutional aspects, the economic impact, and the principles of simplification and social justice.

The economy minister told reporter Cristina Indio de Brasil that the second stage of fiscal reform will be broader and that it will envisage a division of taxes among the federal, state, and municipal governments.

[Begin recording] [Marques] With this we can create a more efficient tax structure and collection and revenue

system. The package will also place due responsibilities on all sectors. Responsibilities and functions must be consistent with obligations.

[Indio] Minister, this means supervision will be stricter.

[Marques] Certainly. Many of our draft laws and decrees require better supervision. The package contemplates a large increase in tax service auditors. In the future, the service will be better equipped to fight evasion day and night.

[Indio] How does this tax reform contribute to Brazil's economic stability?

[Marques] This reform is essential for long-term economic stability. We are pursuing very austere fiscal and monetary policies in the short term. If these measures are incorporated into the economic structure it will be very important. These reforms will allow us to obtain a primary surplus [superavit primario] of 3 percent next year and 4 percent in 1993. The reforms will help us attain the stability we all want so much.

[Indio] It was said that negotiations with the IMF are moving forward. It was also said that a satisfactory conclusion to these negotiations will be important for our stability.

[Marques] That is correct. We are pursuing various internal and external structural changes. An agreement with the IMF will be very important in normalizing our financial relations with foreign organizations.

[Indio] Can we conclude an agreement with the IMF by the end of the month?

[Marques] We will conclude our letter of intent and our technical memorandum by the end of the month. This means we can expect a technical agreement. This agreement will be sent to the IMF board of directors, who will need four to six weeks to consider it.

[Indio] This was a confusing week at the market. Today is the last day of the week. What is your evaluation of all that happened?

[Marques] My evaluation is positive. We adopted an extreme measure when we stopped selling gold in the market. We understood that we were subsidizing the dollar in the parallel market. In the past we had reasons for maintaining the difference between the official and black market exchange rates within small limits. But we did not find any benefits in the practice; maybe in the past, but not today. Our calm evaluation of this policy showed that we had been subsidizing the black market, the exit of capital from the country—an illegal practice—and some trips abroad—something that is not really needed. I think we have taken a step forward, a step in accordance with a market economy.

At first, economic agents did not quite grasp the meaning of the measure. But for the past two days the situation returned to normal levels. The difference between the exchange rates is much more realistic today than three days ago.

[Indio] Is the turbulence over then?

[Marques] I think that may be the case. It is over. We have deregulated prices almost completely; the price of bread was deregulated yesterday. These items had relative prices, prices that were controlled at the expense of our gold reserves. There were no reasons for these controls to remain in effect. [end recording]

Sends Congress Decrees, Bills

PY0211205691 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 2 Nov 91

[Text] President Fernando Collor has sent Congress nine decrees and seven bills, thus implementing the tax reform that increases the exemption limit for salaries as large as eight times the minimum salary. This measure exempts 2.5 million people from having to pay income taxes. In a speech at Planalto Palace, Collor said the bill simplifies taxes, eliminates 40 percent of the taxes, promotes social justice, integrates the informal economy with the national economy, reduces taxes on production, and also is aimed at fighting tax evasion.

Beginning in 1992, the income tax to be paid by private citizens will have other new rules, in addition to increasing exemption limits from four times the minimum wage to eight. Two new, higher brackets will replace the current ones. As a result, 25 percent will be deducted from the salaries of workers who receive from eight to 50 times the minimum wage, while 35 percent will be deducted from the salaries of workers who receive more than 50 times the minimum wage.

The tax reform bill allows deductions in 1993 for education expenses. Deductions for expenses for dependents, foodstuffs, medical bills, and contributions to the Welfare Institute remain in force. Only those who have more than one source of income or have the right to receive back income taxes paid in excess have the obligation to declare their income.

Beginning 10 January 1992, the Reference Fiscal Unit, UFIR, will become the tax reform indexing factor. The UFIR will update the tax value monthly. The government also is adopting measures to end tax evasion, and the tax reform bill contemplates the right to embargo the property of those who fail to pay taxes. The measure modifies taxes to be paid on real estate, increases taxes on nonproductive land, and makes it easier to send profit abroad by putting an end to the supplementary tax that was charged on foreign capital.

Reform To Reduce Administrative Costs

PY0411023691 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Nov 91 Economy Section p 4

[Text] Besides increasing the country's tax collection, the emergency tax reform that was announced on 1 November is designed to reduce administrative expenditures in 1992.

One of the decrees signed by President Fernando Collor compels public institutions to reduce by 10 percent in real terms (excluding inflation) maintenance expenditures as well as investments in facilities, machines, and equipment in 1992 in relation to 1991 expenditures. Another decree establishes that an employee can be hired only if there are funds for that in the budget.

A commission made up of experts from the National Administration Secretariat, Economy Ministry, and Armed Forces Staff has until late November to submit the bases for cuts in maintenance expenditures (except for personnel) and investments in facilities, machines, and equipment. Each category of expenditure will be respected in accordance with the decree.

As soon as the rules are established, public institutions will be able to review their expenditures in December. Through this system the government expects to avoid the direct budget cuts that are more detrimental for some sectors.

Police Mobilized To Repress Unrest Rumors

PY0111225291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 1 Nov 91

[Excerpt] The Federal Government is concerned about the wave of rumors being spread throughout the country.

Federal police were ordered today to investigate the origin of the rumors that are causing unrest among the citizenry.

Spreading false or even distorted rumors is a crime. In view of the wave of rumors that has been spreading throughout the country in the last few days, the Federal Government has decided to mobilize the federal police force in an attempt to repress this type of crime. [passage omitted]

Central Bank Ends Credit Financing Term Limit

PY0111150691 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 1 Nov 91

[By Luiz Augusto Mendonca, all figures as heard]

[Text] The Central Bank has lifted the maximum term for financing personal credits, direct credits for consumers, and revolving credits. The financing period for consumer goods like cars, home appliances, and credit cards will now be set by financial companies or by shops.

President Fernando Collor yesterday approved a bill to modify the calculations for income taxes paid in advance.

The president vetoed an article that established monthly adjustments on the tax tables based on the INPC [National Consumer Price Index].

The bill has been approved both by the Chamber of Deputies and by the Senate. It adjusts the values on the workers progressive salaries tables which are used to calculate income taxes. It was approved by President Collor, who vetoed Article 2 which sought to make monthly tax adjustments based on the INPC.

The president understands that salaries do not always follow the economic index.

Those who earn up to 620,000 cruzeiros per month will, after deducting the tax-exempt 190,000 cruzeiros personal allowance, pay 10 percent on the remaining 448,000 cruzeiros.

If monthly earnings exceed 620,000 cruzeiros, the following deductions are made: 10 percent on the first 448,000 cruzeiros and 25 percent on the rest.

The bill will now return to Congress for the presidential veto to be reviewed.

Decree on Benefits From State-Owned Firms

PY0411024291 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Nov 91 Economy Section p 4

[Text] Brasilia—On 1 November President Fernando Collor issued a decree regulating the withdrawal of profits, dividends, or benefits from state-owned enterprises for the National Treasury in order to prevent the diversion of these resources and the financial harm that is currently affecting the union.

The decree establishes that within 10 days of paying other shareholders, companies will have to pay profits and dividends to the National Treasury, and public enterprises will have to pay within 30 days of the date on which their trustees conclude their review of the fiscal year.

All public enterprises, privately and publicly held enterprises, and other enterprises controlled directly by the union will have to send the Treasury the profits and dividends corresponding to the union's participation in the capital. The collection will be made through the Federal Revenue Payment Form [DARF].

To comply with the terms of the decree, state-run enterprises and privately and publicly held enterprises will have to change their regulations. During a briefing for President Collor, Economy Minister Marcilio Marques Moreira stated that in order to avoid the "unjustified retention of profits or the establishment of other reserves to the detriment of union interests," the decree subjects

approval of the proposal on distribution of the profits to previous authorization by the Economy Minister.

Electromechanical Company Auctioned Successfully

PY0111230091 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 1 Nov 91

[Excerpt] A consortium formed by the enterprises Andrade Gutierrez and GE [General Electric] and the Safra and Boa Vista Banks is the new majority shareholder in Celma [Electromechanical Company]. This consortium owns 75 percent of the total shares auctioned and 64 percent of the capital.

The majority package of shares was purchased for $92.9 million, surpassing by 25 percent the minimum price of $74.3 million established for the auction at the Rio de Janeiro Stock Exchange.

National capital purchased 87.4 percent of the enterprise and foreign capital 12.9 percent [figures as heard].

BNDES [National Bank for Economic and Social Development] President Eduardo Modiano termed the results of the auction excellent. [passage omitted]

Collor Satisfied by Privatization

PY0211204091 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 2 Nov 91

[Text] President Fernando Collor is satisfied with the auction of Celma Electromechanical Company. In a news conference, President Collor viewed the privatization program being implemented by the government.

[Begin recording] The privatization program is being successfully implemented. Next week, on 11 November, we will auction a third public company. The process is, therefore, being implemented normally and is yielding better results than those we expected. [end recording]

Collor added that the number of state-owned companies to be privatized probably will increase in view of the great interest, including by companies' own employees, in purchasing their shares.

Budget Deficit Delays INSS Payments

PY0111113291 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 31 Oct 91

[Excerpts] The drop in the revenue of the National Institute for Social Security [INSS] is causing budget problems and may affect the payment of the Christmas bonus.

The INSS is already finding it difficult to pay benefits. The October revenue of the INSS is only enough to pay pensions and its other obligations, like those earmarked for health services and salaries, will be paid with money transferred from the National Treasury.

The revenue expected by the INSS in October is estimated at approximately 980 billion cruzeiros and the payment of benefits is estimated at approximately 950 billion. This payments figure should drop to 750 billion in November because the INSS will not have to pay any back payments, but in December, in addition to the regular monthly payments, the INSS has to pay the Christmas Bonus. [passage omitted]

Next week the INAMPS [National Institute for Social Security Medical Assistance] will disclose the dates on which it will disburse resources for its network of hospitals.

Through a note issued in Rio de Janeiro, the INAMPS director announced that next week it will set the dates for disbursing funds for hospital and laboratories for November and December.

During a meeting with representatives of the INAMPS hospital network, the INAMPS director admitted the existence of a deficit in the institute's cash flow that has worsened during October. He explained that the difficulties currently experienced by the entire social security system—which is the source of the Health Ministry's financing—have hindered the disbursement of 145 million cruzeiros. The INAMPS director guaranteed that the Health Ministry and other ministries are adopting the necessary measures to minimize the problems caused by this deficit. [passage omitted]

Chile

Intent To Report on Military Spending Noted

PY0211170891 Santiago Radio Chilena Network in Spanish 1000 GMT 2 Nov 91

[Text] Party for Democracy Deputy Vicente Sota has denied that he disclosed secret information in pointing out that the Army commander in chief will manage $3 million in secret funds allocated for 1992. Thus, the congressman rejected remarks made by Defense Minister Patricio Rojas, who criticized the information the deputy gave the media.

Sota added that his intent is to broadly report on the magnitude and breakdown of military spending in Chile.

[Begin Sota recording] At any rate, if I did not disclose these figures, would the nation know them? Would the nation know what is being spent on the abolished CNI [National Intelligence Center] and what is being spent in secret by the commanders in chief? It would not know.

Therefore, I am precisely discharging my duty as a congressman. I am a representative of the people and the people have a right to be informed. [end recording]

The congressman also described the defense minister's remarks as rash and said that the minister is unaware of Sota's ethics.

Vicente Sota reiterated his proposal to reduce the staff of former members of the abolished CNI. He noted that a budget of 1.11 billion pesos has been allocated for 990 former CNI agents and that not all of them belong to the

Army. The deputy emphasized that these funds should be used to reduce the large number of poor people in the country.

Opposition Claims Government Financing Media

PY0211203091 Santiago Radio Chilena Network in Spanish 1000 GMT 2 Nov 91

[Text] National Renewal Deputies Carlos Cantero and Arturo Longton have reported that the government is financing the media linked to the coalition [alliance] with state funds.

Cantero explained that, in a survey conducted by the Liberty Institute [Instituto Libertad] regarding publicity in various magazines circulating throughout the country, it has been confirmed that propaganda by state institutions and companies has been increased in the last few months.

There is an obvious trend in the magazines of publishing advertisements by the Chilean Public Welfare Lottery [Polla Chilena de Beneficencia], Corfo [Production Development Corporation], Codelco [Copper Corporation], the Labor Ministry, the metropolitan subway, and the Secretariat General of government, the opposition deputies said. They also considered that this fact clearly affects the state television channel, newspapers, and radio stations.

[Begin Longton recording] We also consider that, through the support that is specially given to these magazines, a political intervention becomes in some way noticeable, a political intervention that will increase as the municipal elections approach.

It is symptomatic that the newspaper FORTIN MAPOCHO went bankrupt a month ago. The crisis existing in the newspaper LA EPOCA is also symptomatic. [end recording]

According to Deputy Longton, this situation is becoming more acute as the municipal elections approach. He described as negative the fact that the government finances these media with state funds after last month's IPC [Consumer Price Index] reached 2.7 percent.

Cantero and Longton also agreed on the change experienced by the state television channel. Although in the beginning the state television channel was pluralist, it became more progovernment after reports by the Christian Democratic Party on the poor broadcasting of government news, they said.

[Begin Longton recording] From our viewpoint, the state television channel had, I would say, a fairly pluralist attitude but then began the reports against the channel, especially from Christian Democratic Party groups, that government agencies did not have enough time and that the opposition did, and the channel changed. The change is so obvious that, for example, the program "On Equal Terms" [Mano a Mano] is open propaganda for government agencies. [end recording]

The National Renewal congressmen also delivered data on the survey conducted using the last five issues of national magazines that prove the discrimination of state publicity.

For his part, Interior Minister Enrique Krauss has rejected the National Renewal remarks with respect to an alleged state financing of coalition magazines.

In the interior minister's opinion, the opposition tends to turn everything into a scandal.

The minister said that reports must be filed in a responsible manner with the appropriate organizations and that alleged irregularities must not be used to arouse concern in the citizenry.

Palestine Federation Communique on Madrid Talks

PY0211160291 Santiago Radio Chilena Network in Spanish 1000 GMT 2 Nov 91

[Text] The Palestine Federation of Chile has said that a solution to the Middle East conflict depends on the good will of all the nations that are involved and on the international organizations that represent the various countries of the world.

Yamil Nasal, president of the Palestine Federation of Chile, pointed out: The peace conference in Madrid is a reason for joy and optimism, and we hope that dialogue will be a valid medium to resolve the problems that have been plaguing the region for 43 years. He added: It is difficult to understand that this conflict between two nations, which should live in peace, mutually respecting each other's sovereign rights, persists today.

After the fall of the Berlin Wall, it is not possible for the Middle East conflict to persist as a burden of world peace and for the occupation of one country by another to continue, a communique issued by the Palestine Federation of Chile noted.

Continuing, the communique states that Palestinians in Chile hope this conference will permit the appearance of effective means to achieve the eagerly sought peace. The communique adds: Palestine has an inalienable right to be a free, sovereign state as with any other country in the world.

The peace conference has been called for humanity to see that talks between nations—dialogue, not war—is the only solution to the existing disagreement.

Central Bank Reports on Oil Production, Imports

PY0211214691 Santiago Radio Chilena Network in Spanish 1000 GMT 2 Nov 91

[Text] During the first half of this year, national crude oil production totalled 3,580,952 barrels. This represents a 2.8-percent decline compared with the first half of 1990.

This information was supplied by the Central Bank, which indicated that the production of liquefied gas—by

extracting gas from oil in Magallanes—totalled a little more than 1 million barrels [as heard] during the first half of 1991. This figure represents a 7.5-percent decline compared with the first half of 1990.

The Central Bank reported that crude oil imports totalled 18.6 million barrels during the first half of this year. This represents a 7.5-percent decline compared with the first half of 1990.

Crude oil imports mainly come from Gabon, Nigeria, Malaysia, Venezuela, and Argentina. A total of 82.9 percent of crude oil is imported.

Socialist Party Opens National Conference

PY0211131691 Santiago Television Nacional de Chile Network in Spanish 2330 GMT 1 Nov 91

[Text] Socialist Party President Jorge Arrate today called on party members to strengthen the party and end infighting. In an impromptu speech that lasted almost two hours, Arrate opened the Socialist Party national conference this morning. In his speech, he stressed unity and the process of renewal that has developed within the party over the past 22 months.

[Begin Arrate recording] The effort toward renewal, the effort to preserve our traditions and to renew those traditions in light of current national and international circumstances is common to all socialists. I believe this effort has had outstanding success. [end recording]

Arrate voiced concern, however, about the internal disputes that have been made public.

[Begin Arrate recording] Today the party appears to have many more disagreements than it really does. If one reads the press or listens to radios, one hears reports about major disagreements within the Socialist Party. I will formulate a concrete proposal in this regard. I call upon the party to strengthen its institutional structure. [applause] [end recording]

Antidrug Accord With German Police Takes Effect

PY0211195291 Santiago EL MERCURIO in Spanish 29 Oct 91 p C10

[By Osvaldo Diaz Tapia]

[Text] Arica—Chilean and German police will unite to combat drug trafficking and money laundering in Chile. This was stated by Klaus Schulzke, second secretary of the German Embassy in Bolivia, who is acting as liaison among the police of Germany, Bolivia, and—until recently—Chile.

The German diplomat met yesterday afternoon with Arica Investigative Chief Arturo Perez Gallardo and Antinarcotics Brigade officials commanded by Inspector Antonio Cubillos to collect information on the needs of the units that operate against drug trafficking in the First Region.

He said that a coordinating stage between the German and Chilean police is beginning, thus materializing a bilateral agreement signed during the recent visit of Chancellor Helmut Kohl to Chile. The technical support agreement will in principle benefit the Antinarcotics and Investigative Brigades of Arica and Iquique.

Colombia

Government, Guerrillas Continue Talks in Caracas

PA0211142291 Santa Fe De Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 1 Nov 91

[Text] This morning the National Guerrilla Coordinating Board [CNG] attacked a section of the Colombian pipeline in the mid-Magdalena region of Antioquia Department.

Meanwhile, the government and CNG spokesmen continue to hold talks in Caracas; however, the talks are proceeding slowly. FARC [Revolutionary Armed Forces of Colombia] and Army of National Liberation representatives have stated that they will return to Colombia if agreements are not reached before 10 November.

The continuation of the third round of talks, which was suspended over a month ago, seems to have the best omens this time. On the first day of dialogue the meeting lasted over seven hours, despite the fact that previous meetings had never lasted more than three hours.

The 10-point agenda became stagnated on its second day over the point referring to rules of the game, which the rebels want to establish so the peace talks are not interrupted.

[Begin FARC spokesman Ivan Marquez recording] We will discuss the topic of the rules of the game so the negotiations will not be suspended again, unilaterally and in an untimely way. [end recording]

The Colombian Government's delegates are completely silent about the talks, because any misinterpretation of their comments would jeopardize a peace agreement for the country. If an agreement is reached this weekend—since the delegates plan to work—the topic of the cease-fire could start being analyzed next week.

AD/M-19 Reelects Navarro Wolff President

PA0311174391 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1822 GMT 2 Nov 91

[Text] Antonio Navarro Wolff was reelected president of the 19 April Movement Democratic Alliance [AD/M-19] during the parliamentary meetings that ended 2 November.

AD/M-19 is being reformed with an eye toward the new congress and in accordance with the new political realities in the country. In this meeting, held at the legislative building on 1 November, AD/M-19 elected one vice president and seven secretaries, who will be in charge of

organizing the movement and dealing with peaceful changes and institutional reforms with social significance.

[Begin recording] [Navarro Wolff] AD/M-19's main task now is to organize itself much better. We have to counter political machinery and propaganda with a new democratic organization, the one we are now advancing in this national meeting.

[Reporter] You have said that it is important for AD/M-19 to move from left to center-left. What does center left mean?

[Navarro Wolff] The scope of the center left is broader than that of the left. I feel it is a national necessity to have a broad scope. In Latin America, the political parties that succeed are not those with a narrow ideological profile but those with a broad one. We will become just that—a political party and movement with a broad ideological profile.

[Reporter] What plans does AD/M-19 have for the elections for mayors and councilmen?

[Navarro Wolff] Basically, we will apply a policy of alliances and coalitions and good candidates. It has been demonstrated that the people vote because of good candidates more than for any other reason. [end recording]

ELN Threatens To Attack Gas Installation

PA0311180191 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 2 Nov 91

[Text] While talks with the ELN [National Army of Liberation] in Caracas show signs of progress in the discussion of specific issues aimed at reaching an agreement, former priest Manuel Perez, the group's top leader, has announced in Colombia a new offensive against Campo Cusiana if royalties continue to be paid to private and foreign individuals.

Authorities have reacted to the announcement with bewilderment, because they had taken as a committment the proclamation the guerrillas issued several days ago in which they stated that they would suspend attacks on the Colombian oil infrastructure.

Manuel Perez warns in his communique that Campo Cusiana has a greater production capacity than Cano Limon, the largest gas reserves in La Guajira Department. He says that he will not allow some private and foreign individuals to take control of these resources. Perez added that to allow this would be to condone an act of pillage against Colombia's heritage.

Former priest Perez pointed out that Colombian Petroleum Enterprises must suspend the payment of royalties to the so-called owners of Campo Cusiana. He goes even further in his demands by calling for the suspension of a contract of association signed by three foreign companies. This would mean a breach in oil research and exploration agreements.

The warning from the so-called ELN commander concludes by announcing what he describes as more military operations against Campo Cusiana to prevent further plunder.

Electrical Company Nationalization Plans Noted

PA0311164691 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 2 Nov 91

[Text] The government officially announced its intention to inject capital and nationalize ISSA [Electrical Interconnection, Inc.]. This would mark the first, most far reaching and important operation in the government program aimed at the economic and financial reorganization of the electrical sector.

If the ISSA board of directors confirms at its general assembly the decisions made in October and the recommendations made by the National Political, Economic and Social Council, the expected investment would amount to 389 billion pesos.

With this operation, the government would become majority stockholder of ISSA and would have complete authority to define, coordinate and execute all policies related to the generation, transmission, distribution and marketing of electricity in Colombia.

It was confirmed that within these financial reorganization plans for the electrical sector, in early 1992 the government will begin to capitalize the Betania Hydroelectric Power Station in Huila for approximately $200 million. Mechanisms like those used for the nationalization of ISSA will be used for this operation.

President Gaviria Signs Gun Control Decree

PA0311190791 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 2 Nov 91

[Text] The Colombian Government plans to restrict the ownership of firearms and to implement more control on the number of weapons in the hands of the civilian population. President Cesar Gaviria signed a decree in this respect.

The legislation calls for renewing more than 1 million gun licenses. There are restrictions on the sale of 9mm weapons, and tougher penal sanctions against the illegal use of any type of firearm.

The decree establishes a number of requirements to be rigorously enforced in controlling the purchase of war materiel. It also updates current ordinances related to the caliber of weapons reserved for the exclusive use of members of the Armed Forces and private sources. According to the new legislation, private individuals will not be able to buy armor piercing ammunition. The new legislation also differentiates between gun ownership by sportsmen and collectors, and those who have weapons for self-defense.

Paraguay

U.S. Envoy's Presence at Congress Criticized

PY0111224491 Asuncion ULTIMA HORA in Spanish 1 Nov 91 p 7

[Text] Leaders of the "For a New Paraguay" Popular Front have labeled the presence of U.S. Ambassador Jon Glassman in the Chamber of Deputies an "open interference in the internal affairs of a sovereign country." The U.S. ambassador went to the chamber to make "suggestions" to legislators on guarantees for foreign investments.

In a note submitted to the Chamber of Deputies president, this independent alliance, which will have candidates for the constituent assembly under the Humanist Party, said Glassman's visit was not "necessarily motivated for reasons of diplomatic courtesy but to pass judgment on vital aspects of the economic interests of the country and our people."

The note says: "It is not the role of Congress or any of its members in particular to get the opinion of a foreign ambassador to guide their choices on legislative matters, especially on specific issues that are directly related to the interests of foreign countries."

The message delivered to the Chamber of Deputies also says that Glassman even made "warnings" about the obligation of the state "to preserve the privileges of foreign capital established in our country through outrageous concessions granted by the previous regime."

The note adds: "Opinions were even made regarding what economic policy is 'best' for the country." The note concludes by expressing the "open disapproval and concern" for this event, and the need to give back to the country "its condition of a free people with dignity, and full sovereignty."

Further on Demonstration, Police Response

PY0211200691 Asuncion ABC COLOR in Spanish 2 Nov 91 p 3

[Text] After learning that many drivers were beaten in their bus stations and others were arrested, the "Coordinating Board for the Vindication of Transportation Workers" called a general meeting at about 0900 yesterday at the National Workers Federation (CNT) headquarters. There they decided to march to Congress to demand the approval of a labor law then under discussion and to demand compliance with such a law by the Justice and Labor Ministry.

The march began near the intersection of Piribebuy and Colon Streets (where CNT headquarters is located), from where the demonstrators turned down Estrella Street. As they tried to turn down 14 de Mayo Street they were met by Deputies Carlos Galeano Perrone [Colorado Party], Carlos Caballero Roig [Colorado Party], and Arnaldo Llorens [Febrerista Revolutionary Party], who were sent as mediators by the rest of the deputies to try to solve the labor dispute.

The congressmen and the demonstrators then decided to continue with the march along 14 de Mayo Street up to Congress. As they approached El Paraguayo Independiente Street, they were intercepted by police and a vehicle with a water cannon. Police told demonstrators that they could not come near Congress because they had not requested permission to march on the so-called marching route.

The congressmen told police that they only wanted to walk with the union leaders to Congress to explain the contents of their demands. After a quarrel among policemen, congressmen, and strikers, the policemen in the water cannon vehicle began shooting jets of water at the demonstrators, first targeting the congressmen in the first row.

The demonstrators answered back with shouts such as "united drivers will never be defeated." The "blue helmet" [antiriot] police immediately began to throw tear gas at the workers, who ran toward Palma Street. As demonstrators disbanded, police beat them, as well as journalists covering the incident.

After several arguments and incidents, the main union leaders were allowed to come near Congress. As this solution was being negotiated, police continued to beat the workers. The union leaders then left with the drivers for CNT headquarters.

The police then clashed with a group of people who were expressing solidarity with the workers under tear gas attack. Instead of diminishing, the crowd of demonstrators increased, a fact that apparently further irritated the police. At about 1350, Asuncion Mayor Carlos Filizzola arrived and he also was hit by water jets and tear gas.

After the mediation of Deputies Miguel Angel Aquino [Colorado Party] and Augusto Brun [Authentic Radical Liberal Party], the demonstrators were able to approach Congress, where Filizzola asked the demonstrators to peacefully leave the area in the face of the congressmen's promise to mediate in the conflict.

Peru

Government Extends State of Emergency

PA0211131091 Lima Radio Programas del Peru in Spanish 1800 GMT 1 Nov 91

[Text] At the request of the Armed Forces Joint Command, the government has extended the state of emergency in several provinces, districts, and communities in Cusco, Huanuco, Puno, and Junin. The decision includes the provinces of La Convencion, Cusco Department; Melgar, Azangaro, and Sandia, Puno Department; and Shanchamallo, Satipo, and several districts in Junin Department. The state of emergency was also extended

in the provinces of Ica, Chincha, Pisco, Nazca, and Palpa in the region of Los Libertadores-Wari, due to the continuation of the surversives' violence.

Consequently, individual guarantees have been suspended and the Armed Forces are authorized to assume control of internal order for a period of 60 days, effective 1 November.

Fujimori Denounces Violence Against OAS Group

PA0111224991 Lima Global de Television Network in Spanish 0100 GMT 1 Nov 91

[Text] President Alberto Fujimori today met with the OAS Inter-American Human Rights Commission and submitted a document demanding that other human rights organizations speak out against abuses by rebel groups.

Fujimori said this problem must be handled objectively. He used the example of the boy who was used as a human mine detector in San Juan de Lurigancho to illustrate recent cases of terrorist brutality.

The meeting began at 1100 when commission members arrived at the Presidency following a visit to other offices. The numerous reports of human rights violations were discussed during the 90-minute meeting. The numerous violations are what prompted Fujimori to request the commission to visit. Fujimori explained his government's strategy to stop human rights violations, including cases involving the public forces. After the meeting, Fujimori stated that he had submitted a document insisting that other human rights organizations speak out against abuses by terrorist groups.

[Begin recording] [Fujimori] I explained what they already know but added more details about our strategy. I gave them an official statement signed by me, asking all human rights' organizations—without exception, as I have publicly stated—to speak out against the monstrous human rights violations committed by Shining Path and the Tupac Amaru Revolutionary Movement.

In particular I mentioned three cases to them. I will only mention one here, and that is the case of the boy who was used as a mine detector. That was a flagrant and monstrous violation that all human rights organizations and citizens must denounce. Thus, I urged the commission to help Peru overcome terrorism.

The Shining Path should not present itself as a defender of ideals—as it recently did in Europe—or as a group that is worried about injustice in Peru. What we must do is denounce Shining Path for what it really is. We should unmask the group and show that it is the greatest human rights violator. I think the commission understood the message clearly.

[Unidentified reporter] Mr. President, what significance does the presence of this international commission in our country have?

[Fujimori] I invited the commission to come to Peru as part of a strategy outlined by my government a few months ago. It shows my government's concern over this situation. It is here at my invitation; the OAS did not suggest the visit. [end recording]

Fujimori Meets With Spanish Businessmen

PY0111221091 Lima LA REPUBLICA in Spanish 24 Oct 91 p 3

[By Oscar Cuya, chief of the LA REPUBLICA editorial staff]

[Text] Madrid, 23 Oct—Peruvian President Alberto Fujimori has invited Spanish businessmen to invest in direct or joint projects in Peru. He also explained the huge potential the country offers to investors.

Jose Maria Cuevas, chairman of the Spanish Confederation of Business Organizations, expressed the Spanish businessmen's interest in participating in industrial development and hydroelectric projects and in other fields of production.

Cuevas said: "We will spare no efforts to support Peru's development process within the framework of cooperation established in the Cooperation and Friendship Accord that was agreed upon."

During a meeting, Fujimori admitted that privatization is not being carried out at the desired speed, adding that we are gaining experience through the privatization of small enterprises.

He explained that state-run enterprises are being drained by the reduction of personnel. He said that the Popular Bank, Centromin [Central Peru Mining Enterprise], and the manufacturing company Bayer Industrial, among others, may be sold to bankers.

Working meetings were held with banking, mining, telecommunications, and tourism representatives. These meetings were presided over by Peruvian businessmen Francisco Gonzalez from the Banco Regional del Norte, Augusto Baertl from the National Mining Society, Carlos Carrillo Smith from the Peruvian Telephone Company, and Eduardo Arrarte from the National Chamber of Tourism.

Other working meetings were held to analyze industry, exports, agriculture, electricity, and fishing matters.

Spain Grants $172 Million in Financial Aid

PY0211214091 Lima EL COMERCIO in Spanish 24 Oct 91 p 1

[By EL COMERCIO special correspondent Juan Paredes Castro]

[Excerpts] Madrid, 23 Oct—The Spanish Government has decided to increase the overall amount of its economic and financial aid to Peru to $172 million within

the framework of drafting projects of mutual interest. This agreement was reached on 23 October under a new premise: a pragmatic understanding between the two countries.

Initially, the aid program amounted to only $55 million to be used for the creation of the support group that will help Peru return to the international financial system. Now, this sum will be supplemented with $60 million for various projects; $20 million for technical cooperation; $20 million through the IDB [Inter-American Development Bank] for the construction of a stretch of Los Libertadores railway; $10 million for social emergency needs; and $7 million for health problems. [figures as published] [passage omitted]

Referring to the agreement signed today with [President Alberto] Fujimori, [Prime Minister Felipe] Gonzalez stated that this overall aid figure comes within the framework of financing projects that will lead to a treaty once they mature. He spoke about a first step in the development of bilateral relations "that is beginning to look first rate," which requires "action more than words" with the intention of basing it "on realistic and pragmatic criteria."

In a news conference, Gonzalez, looking at Fujimori, stated that a great understanding had sprung up between them and that they spoke "the same language."

"We do not want to put down on paper what we cannot accomplish," Gonzalez said, stressing that the "agreements that we reach are agreements that will be implemented."

Gonzalez explained the "practical sense" of the Spanish decision, indicating that no project will be approved in which Spain is not interested. "If Peru submits 15 or 20 projects, and Spain is interested in only nine or five, then we will work together on those nine or five," Gonzalez said.

The amortization of the financing will be long term and with low interest rates (35 percent less than a commercial loan). [passage omitted]

Commission Calls Senate Chairman in BCCI Probe

PY0111234291 Lima EXPRESO in Spanish 24 Oct 91 p A2

[Excerpt] The Chamber of Deputies commission that investigates the Central Reserve Bank [BCR], its business, and its connections with the fraud involving the Bank of Credit and Commerce International [BCCI] has summoned Senate Chairman Felipe Osterling Parodi, of the Popular Christian Party, to appear before the commission on 31 October.

Socialist Deputy Manuel Dammert Ego-Aguirre, who presides over the commision, has said Osterling was summoned to explain his activities as a partner in a law firm (owned by Rosello, Vega and Arias Schreiber) that provided legal advice to BCCI to open a branch in 1983. [passage omitted]

Torres y Torres Discusses Resignation

PA0211173091 Lima Panamericana de Television Network in Spanish 1200 GMT 1 Nov 91

[Text] Carlos Torres y Torres Lara, president of the Council of Ministers and foreign minister, announced that the Foreign Ministry has suspended 12 officials who were responsible for the delay in processing the letter that Marcel Dessault, a French company, sent concerning the sale of Mirage planes. The above-mentioned letter should have been forwarded expeditiously to the Chamber of Deputies commission investigating the alleged illegal enrichment of former President Alan Garcia. Torres y Torres Lara also confirmed his resignation from the cabinet.

[Begin recording] [Torres y Torres] I have been very clear on this matter, so I think there is nothing further to say. The resignation will become effective in a few days.

[Unidentified Reporter] The reason for this resignation is not clear, however.

[Torres y Torres] The reason for me to step down as president of the Council of Ministers is very clear. The government program of my cabinet, which I introduced here in the Congress at the beginning of of my duties, was in essence based on the extraordinary powers entrusted to us to issue regulations to promote investments, employment, and peace. The legislative aspect of our work has been very broad, but we are not through yet. We still have days to go, and they are of the utmost importance. The Council of Ministers is working practically full time every day. We are working to complete all of these final regulations. With the culmination of this basically legal phase that has been up to me to conduct, this phase...

[Reporter interrupting] Does your departure from the cabinet entail a crisis in the cabinet?

[Torresy Torres] Not at all. The government continues to work as usual on its plans and programs. There is just one government policy, and it continues as usual. We now have a change in the presidency of the Council of Ministers, but this is something that must be very normal. People should not cling to their jobs. We must constantly have fresh blood.

[Reporters] Do you know who is going to replace you?

[Torres y Torres] That decision is up to President Alberto Fujimori.

[Reporter] Some politicians feel that announcing your resignation 15 days ahead of time is a mistake.

[Torres y Torres] Pardon me.

[Reporter] Some politicians feel that it is unwise of you to announce your resignation 15 days before it takes effect.

[Torres y Torres] In other countries, chiefly in Europe, it is customary to make this sort of announcement ahead of time. The idea is to move away from unannounced measures. We are used to unplanned things, or overnight changes. We must take things with calm in the country and announce events sufficiently ahead of time to make people realize that these are normal developments. This is not a special situation. [end recording]

Police Director Questioned About Police Actions

PY0111160791 Lima EXPRESO in Spanish
23 Oct 91 p A6

[Interview with National Police General Director Adolfo Cuba y Escobedo by EXPRESO; place and date not given]

[Text] [EXPRESO] The performance of the police is worsening and violent acts occur every day. Proof of this is the murder of a girl and the shooting down of a plane in San Martin, as well as the hundreds of charges that have been made. What is happening?

[Cuba y Escobedo] These are shocking isolated cases that have already been sanctioned.

[EXPRESO] They may have been sanctioned, but the attitude of the police greatly concerns the people. For example, in the case of the murder of Roxana Castro [allegedly killed by a policeman], you, a police chief, have shown an ambiguous and weak reaction to this incident. You seem to avoid the matter.

[Cuba y Escobedo] There has been a misunderstanding. My statements were only partially disseminated. I said we had begun to investigate the case and, consequently, we could not blame anybody in advance. If one says "the police are responsible for the murder," then 85,000 police officers will become involved in the case. But, we had very clear evidence that even included the license plate of the vehicle. Then, we said: "These are the murderers." But, even now we cannot say that the individuals who were arrested were involved in the murder. They are "alleged murderers." Furthermore, the girl's mother was kept drugged, and this fact prevented us from making more progress in the investigation.

[EXPRESO] But people expected a stronger attitude, especially at a time when the police have lost a great deal of their standing. You failed to adopt a very strong position.

[Cuba y Escobedo] This was the immediate reaction after the incident. But, I regret that my statements were disseminated in accordance with the interests of a certain nasty press. They did not publish my entire statement. I have not denied anything at any time, neither do I have anything to conceal.

[EXPRESO] Are you hinting that the discrediting of the police and proven criminal actions are the result of an orchestrated campaign?

[Cuba y Escobedo] No, do not say that. Some people could be interested in promoting some situations. What I think is that the police cannot be regarded as an island in the critical situation affecting the country. This is a periodic campaign that appears at certain times and then, disappears.

[EXPRESO] But the police have been involved in serious incidents in the past few months. The charges of aggression and murder by police personnel greatly surpass even those resulting from drug trafficking, which used to be responsible for the greatest number of crimes.

[Cuba y Escobedo] It seems that way, especially now that it has become easier to carry weapons, which was prohibited in the past.

[EXPRESO] What do you mean? Does carrying a weapon give them the right to use it against the people?

[Cuba y Escobedo] No, sir. What I am saying is that carrying weapons was prohibited in the past. It was even prohibited for our immediate subordinates. Now, all policemen must carry weapons because the current situation is not the same as in the past. Carrying weapons all the time makes them susceptible to use them at any time.

[EXPRESO] Which makes it very serious...

[Cuba y Escobedo] That is right. But as soon as we learned about those cases, immediate investigations were carried out and charges filed. Our society and police are evolving. They are not the same as in the past, and they are difficult to manage within the current situation.

[EXPRESO] The fact that it is a difficult situation does not justify the cases of police crimes taking place while no drastic measures to stop the problem are being taken. Last week a police commander and a police sergeant disguised as terrorists were caught red-handed trying to extort $20,000, while another sergeant escaped with two kidnappers whom he was escorting to the court building...

[Cuba y Escobedo] Although this may be a minor consolation, these things happen in the best of families. They are isolated cases, however. They are discharged and then imprisoned.

[EXPRESO] But there is an absurd sense of "institutional" feeling and "fellowship." Senator Gonzales Reategui, president of the Senate committee in charge of investigating the police reorganization, said he has had little cooperation from the police.

[Cuba y Escobedo] I will request a meeting with Gonzales Reategui so he can inform me about the lack of information because the report I have is that he was given all kinds of facilities. Keep in mind that there is a misunderstanding: The reorganization process is not being done by the police. The police have been undergoing the reorganization process since 1985.

[EXPRESO] Is there a police counterproposal to this very long process?

[Cuba y Escobedo] There is no proposal or counterproposal. We are involved in a process that we are following and giving form. What we are waiting for is a conclusion to the process. There was talk about the need for unification. Well then: Let them unify us. And, they should give us a law with which we will have to abide, thus preventing people from giving opinions on how to reorganize the police. And, we assume that at some given time, we will be asked for our opinon. Unfortunately, thus far the reorganization has been accomplished from the outside. I do not know why it is said that we are reorganizing ourselves, when in reality outside forces are reorganizing us.

[EXPRESO] That sounds as if the police are not responsible for what is currently happening...

[Cuba y Escobedo] On the contrary, we have assumed our responsibility despite the obstacles. Unfortunately, we cannot promulgate a decree or a law.

[EXPRESO] Can you not submit your own projects?

[Cuba y Escobedo] We have submitted them, and they were discussed. We met with the Defense Committee. We gave our opinion. Unfortunately, we do not have the right to make decisions.

[EXPRESO] When do you believe the long reorganization will conclude?

[Cuba y Escobedo] When the appropriate organizations decide.

[EXPRESO] Which ones—the executive branch?

[Cuba y Escobedo] We are waiting for a law. All institutions have a law. We are currently abiding by an executive branch decree, but the executive branch does not approve laws. In this case, Congress will probably empower the executive branch to promulgate the law. Or perhaps the idea circulating in Congress "to reorganize the reorganization" of the police will prevail. In any case, we are not a deliberating body.

[EXPRESO] General, considering the seriousness of the problem, are you not lacking initiative?

[Cuba y Escobedo] Perhaps. We ask for the cooperation of the press in understanding that an organization cannot be helped with only criticism. We should be understood. There are more than 85,000 men in our force. We are reporting the irregularities. We cannot do more than that. We are changing our disciplinary regulation to establish public ceremonies for punishments in order to make these irregularities public knowledge.

[EXPRESO] But this is something new. Until recently the bad policemen were hidden from the press and the people...

[Cuba y Escobedo] But we are an institution that has a hierarchy and, thus, we are subject to rules and regulations. Even so, we have been able to make the proceedings public. And we are punishing and expelling the bad elements. What else can we do? We need means, training, and, above all, understanding. The criticism is unjust, not everything is negative.

[EXPRESO] Unfortunately, there are cases of concealment...

[Cuba y Escobedo] Point out to me one single case of concealment.

[EXPRESO] What happened, for example, with Captain Montezuma, who murdered a high-ranking congressional employee?

[Cuba y Escobedo] And what happened with drug trafficker Deputy Del Pomar? What happened with Brian Jensen? What happened with many other personalities? Like others, Montezuma is in hiding and we could arrest him any time.

He is a captain without any prestige or anything worthwhile to defend him. He is nothing more than a murderer whom the police are after. After he is found he will be turned over to the courts.

[EXPRESO] But everyone wants the police leadership to give the appearance of acting more energetically against their bad elements.

[Cuba y Escobedo] You saw what we did last week and you know what we are going to do 24 or 25 October to expel the bad elements. We can do no more unless perhaps a new law is promulgated to demote them. And, perhaps, another law to have them shot.

Shining Path European Activities Reported

PY0111210491 Lima EXPRESO in Spanish 27 Oct 91 p A12

[Excerpt] While the Peruvian Government noticeably disregards the external front regarding the antiterrorist struggle, the Shining Path subversive organization is carrying out an active campaign in Europe in order to gain an image it does not have in the country. According to our correspondent Jorge Salazar, the Shining Path has a powerful infrastructure in Europe to present the image of social fighters, contradicting its bloody and brutal activities.

Salazar also said that many organizations are even admitting that Abimael Guzman is the fourth sword of world revolution [after Marx, Lenin, and Mao]. That wrong belief is based on something concrete: the powerful material and organizational structure shown by the Shining Path in almost all of Europe. In addition to providing housing, advice, food, and money to needy Peruvian immigrants, the Shining Path has a press and propaganda structure in West Europe that the Peruvian Government does not have. In this regard, EL DIARIO,

which is the Shining Path mouthpiece, has added to its Spanish and French editions a new edition in English for Great Britain and the United States.

The copy sent by our correspondent shows a full-page headline that is definitely propagandistic but also alarming: "Guerrillas: Getting Ready To Take Over Power."

In the face of this new propaganda move that distorts the real situation in our country, the Peruvian Government is not reacting. Therefore, government efforts for a readmission into the international community are being obstructed by this terrorist organization's campaign. [passage omitted]

Army Rescues 2,800 From Terrorists in Six Months

PY0111155491 Lima EL COMERCIO in Spanish 23 Oct 91 p A13

[Text] Huancayo, 22 Oct—During the past 6 months the Army has rescued 2,800 men, women, and children who had been forced to follow the terrorists. They are currently living a normal life in three military camps in the central jungle region where the Ene and Tambo Rivers converge, approximately 300 km east of Huancayo.

This information was revealed today by Army Major Wilson Alvarez, public relations chief of the 1st Infantry Division and of the Mantaro Front Political-Military Command, based in this city. He was asked about the rescue of the teachers who disappeared in Satipo Province during the last two years.

Alvarez indicated that those rescued, mostly comprising families of four to six persons from the Ashaninkas and Campas tribes, are now living an organized life and working the land on a community basis under the Army's protection in the Mision, Valle Esmeralda, and Puerto Ocopa camps.

Alvarez said that the same type of rescue operation will be used again, this time to locate and liberate the missing teachers (70 with their names confirmed): In other words, helicopters will fly over the jungle using loudspeakers to call the people.

He stated that at the beginning these people did not believe us, but they then slowly began coming out of the jungle. "First 60 and then 500. They immediately received aid in the form of food, clothes, and above all, protection," he said.

He added that on 5 October, Juana Fujimori, the sister of President Alberto Fujimori, visited the three camps and distributed medicines and food. She was impressed with the organization and the work being carried out by the rescued persons.

Alvarez said: "In the jungle they had no food or clothes. The subversives could not prevent them from escaping, although they had made the people believe that the Army was going to exterminate them."

Military Sources Report Clashes With Rebels

PA0411035491 Paris AFP in Spanish 1828 GMT 2 Nov 91

[Text] Lima, 2 Nov (AFP)—Military sources confirmed on 2 November that at least 30 rebels, three policemen, and one soldier were killed on 1 November during heavy clashes that took place in three towns in Peru's interior.

It was also officially reported that the state of emergency was extended for 60 days as of 2 November in nearly 50 towns "to assist the countersubversive operations." The 50 towns are located in the Cusco, Puno, and Ayacucho departments, in the Andean southeast; Huanuco, Junin, and Pasco Departments, in the center of the country; San Martin Department, in the Peruvian Amazon region; and Ica Department, south of Lima.

According to preliminary police reports, 20 rebels were killed by policemen when a Shining Path column attacked the police post in Tananta, San Martin Department, 700 km northeast of Lima. Two policemen were killed and two were wounded. After the heavy clashes, which lasted two hours, the attackers fled, taking several of their wounded with them.

A military report states that during a second clash in Nuevo Horizonte in San Martin Department, a sergeant and a rebel were killed, while four other soldiers were wounded when another rebel group tried to ambush an Army patrol.

Police reported that, at the same time, eight rebels and a corporal died during a third clash between rebels and government forces which took place in the Santiago De Pischa District in the Ayacucho Department, 570 km southeast of Lima.

Two peasants, members of the self-defense groups, were killed by rebels in Huayhuash, Huanta Province, in the Ayacucho Department.

An alleged Shining Path execution commando shot Dr. Nelson Pacheco, director of the hospital of the Peruvian Institute of Social Security (IPSS) in Huacho, 120 km north of Lima, leaving him seriously wounded.

Regarding the trial against General Roberto Clemente Noel, retired and seven other policemen and soldiers for the death of eight reporters in January 1983, in the Uchuraccay hamlet, Ayacucho Department, a correctional court of Lima has declared the case barred by the statute of limitations and ordered the case dismissed. The legal resolution dismissed the trial due to the lapse of time. The trial process began two years ago by order of the Supreme Court, which sentenced three peasants for their responsibility in the reporters' deaths. The Supreme Court ruled that Gen. Noel—who was political-military chief of the emergency zone—and his companions be tried for abusing authority, committing crimes against the administration of justice, and abusing their official and professional duties. The eight reporters were

murdered while they were trying to cover the clashes between the rebels and the Army.

Uruguay

Foreign Minister Notes 'Fears' of GATT Talks

PY0211131091 Montevideo Radio Carve in Spanish 2300 GMT 1 Nov 91

[Text] Uruguayan Foreign Minister Hector Gros Espiell, during an exclusive interview with ANSA, spoke about Latin America's future, progress, and fears regarding the GATT Uruguay Round.

Before leaving for Brussels, where he will meet tomorrow with French Government officials and [words indistinct] good offices in the search for a balanced, comprehensive, and fair solution for international trade, Gros Espiell today spoke about the future, progress, and fears of the Latin American continent.

When asked about the somber panorama he depicted during a meeting with French union leaders should the Uruguay Round remain stagnate, Gros said that the prospects are terrifying. He said that protectionism will be revived and mortally wound the multilateral trade system and that bilateral trade will return, opening the door to a true trade war that would be unbearable in the midst of the economic crisis we are experiencing.

Gros added that a failure of the Uruguay Round would jeopardize development of the Latin American continent precisely at a time when it is making every possible effort to join the world market. [passage indistinct]

GATT, Americas Initiative Assessed

PY0211142291 Montevideo Radio El Espectador Network in Spanish 0900 GMT 2 Nov 91

[Text] A meeting between ambassadorial-level representatives of the Common Market of the South [Mercosur] and the United States will take place on 12 November in the U.S. State Department. Uruguay will be represented by Ambassador Miguel Berthet, director of foreign trade, while U.S. Trade Representative Carla Hills will be represented by her personal delegate (Miles Fretech). This was reported by Ambassador Berthet, who assessed the recent OAS session opened by Uruguayan Foreign Minister Hector Gros Espiell.

[Begin recording] [Berthet] As you all know, the Uruguay GATT Round is going through a period that has generated great expectations following the impasse of last December's meeting in Brussels. After that meeting, technical work was carried out and contacts were made at high political levels. Foreign Minister Hector Gros Espiell, as Trade Relations Committee president, met with Carla Hills and GATT Director General Arthur Dunkel to try to find the means to make progress in the Uruguay Round. This whole situation, plus changes in position by some European countries, allow us to be hopeful—although with lower expectations than those with which we developing countries began the talks—that negotiations will soon be unblocked and the round of talks may conclude with good results.

The OAS session discussed in depth the German position expressed by Chancellor Helmut Kohl, who changed his attitude on agriculture. This is an important step because this major European country has adopted a more flexible negotiating position. Although Germany's position is not that of the rest of the EC, it may favorably influence the European Council of Ministers to adopt a more flexible position so as to make more progress on the subject of agriculture, which, as you all know, is essential for a successful result in the talks.

[Journalist Jorge Reina] Ambassador, speaking about the Americas Initiative, which was launched more than a year ago, what is being done concretely?

[Berthet] Regarding the Americas Initiative, as you may recall, Uruguay, Argentina, Brazil, and Paraguay signed the first bilateral agreement—called the Four Plus One Agreement—between Mercosur member countries and the United States. At the Washington meeting, we defined the agenda and scope of the first Mercosur meeting with the United States within the framework of the council we created. It is called the Consultation Council on Trade and Investment [Consejo Consultivo Sobre Comercio e Inversiones] and it will analyze the main international trade subjects, including trade restrictions on our exports to the U.S. market as well as U.S. health restrictions for Uruguay and the rest of the Mercosur member countries. All this was defined during the Washington meeting.

The first Mercosur meeting with the United States will take place on 12 November. [end recording]

These were statements by Uruguayan Foreign Trade Director Miguel Berthet to Journalist Jorge Reina at the United Nations headquarters in New York.

Economy, Finance Official Resignation Accepted

PY0111123091 Montevideo Radio El Espectador Network in Spanish 0900 GMT 1 Nov 91

[Excerpt] President Luis Alberto Lacalle has accepted the resignation of Javier de Haedo, the economy and finance under secretary. Government House sources have added that he will be replaced by someone close to the Blanco Party. [passage omitted]

Venezuela

President Perez, Aristide Depart for Dominica

PA0211143191 Hamburg DPA in Spanish 1712 GMT 1 Nov 91

[Text] Caracas, 1 Nov (DPA)—Deposed Haitian President Jean-Bertrand Aristide said on 1 November in

Caracas that "the days of those who staged the coup are numbered" if a complete blockade is imposed against the Antillean republic.

"We are doing everything we can so violence does not prevail. The expression nonviolence today means complete respect for the embargo," Aristide stated before leaving for Dominica with Venezuelan President Carlos Andres Perez.

"Once this is done, the days of those who staged the coup will be numbered," it was asserted by the Haitian president, who returned on 31 October from a tour of several European capitals.

"The first effects of the embargo are being felt in Haiti; there is no oil," Aristide added. However, he said that there are those who are trying to purchase it in the parallel market.

Aristide left with Perez for Dominica, where he will meet with head of state Maria Eugenia Charles and Prime Ministers John Compton of Saint Lucia, and James Mitchell of Saint Vincent and the Grenadines.

During his tour through Europe, Aristide asked the European Community to impose on Haiti an economic blockade similar to the one adopted by the OAS.

"The U.S. authorities have been doing a great job in recent days," Aristide said when referring to the commercial embargo imposed by President George Bush.

Aristide, a 38-year-old Catholic theologist, was ousted on 30 September by a military group led by Armed Forces Commander Raoul Cedras. He has used Caracas as his center of operations since then.

The president, who talked with a group of journalists before his departure, reported that he had already contacted ousted Haitian Prime Minister Rene Preval to choose a successor who will rule with the opposition groups once he returns to Port-au-Prince.

"I am willing to open the doors and welcome the opposition," Aristide confirmed. He warned, however, that Cedras, President Joseph Nerette, and the leaders of the coup "will have to go to jail or leave the country."

Aristide is scheduled to return to Venezuela on 2 November. He announced that he is studying the possibility of traveling to other countries to continue his diplomatic offensive supporting democracy in Haiti.

Cabinet Council Views Drug Trafficking Controls

PA0111214091 Caracas Venezolana de Television Network in Spanish 1550 GMT 31 Oct 91

[Text] A special cabinet meeting to coordinate actions against drug trafficking and use was held at the Miraflores Palace.

The ministers analyzed joint resolutions issued by the ministries of education, interior, defense, justice, and the Commission Against Drugs, Conacuid. They also discussed a draft bill to control the enterprises and financial groups established to legalize money obtained through this activity, which is affecting Venezuelan youths and their moral values. Conacuid Minister Enrique Rivas admitted that those activities have increased, making it necessary to shorten the span for destroying the confiscated drugs from 30 to 7 days.

It was also agreed that 370 million [currency not specified] will be earmarked to help rehabilitate drug addicts. Those funds, which will come from the funds obtained through privatization, will be used to build 12 hospitals in which the most critical cases will be treated. In addition, approximately 25 million [currency not specified] were approved in the budget for the most urgent plans in 1991.

[Begin Rivas recording] At the request of the coordination and planning minister, the cabinet council and the president of the republic approved the creation of a commission to record individual foreign exchange transactions. The members of the commission will be the ministers of finance, coordination and planning, development, Central Bank, under the coordination of Conacuid. Although the banks and foreign exchange houses are recording their daily handling of foreign exchange, they do not keep records of individual transactions. [end recording]